This is an excerpt translation of the Japanese original. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Annual Securities Report

(Report pursuant to Article 24, Paragraph 1 of the
Financial Instruments and Exchange Act)
The 54th Fiscal Year
(from April 1, 2024 to March 31, 2025)

MITSUBISHI HC CAPITAL Inc.

(E04788)

Table of Contents

Page

Cover page

Part 1 Company Information....4

Item 1. Overview of the Company and its Consolidated Subsidiaries....4

1. Summary of Business Results....4

2. History....6

3. Description of Business....8

4. Overview of Subsidiaries and Affiliates....10

5. Status of employees....13

Item 2. Business Overview....17

1 Management Policy, Business Environment and Tasks Ahead, etc. 17

2 Concept and Efforts for Sustainability....25

3. Business and Related Risks....32

4. Management's Analyses of Consolidated Financial Position, Business Results and Cash Flows....40

5 Material Agreements, etc. 52

6 Research and Development Activities 52

Item 3. Property, Plants and Equipment 53

1. Leased Assets....53

2. Assets for own Use....53

Item 4. Information on the Company 54

1. Information on the Company's Shares, etc. 54

2 Acquisitions, etc. of Treasury Shares....65

3 Dividend Policy 66

4 Corporate Governance, etc.....67

(Note) This document is an excerpt translation of the Annual Securities Report (The 54th Fiscal Year from April 1, 2024 to March 31, 2025), which was originally prepared in Japanese, that covers up to "Item 4. Information on the Company." For details regarding "Item 5. Financial Information" of the Annual Securities Report prepared in Japanese, please refer to Financial Information 2025 (For the year ended March 31, 2025).

Cover

Document Title	Annual Securities Report (“Yukashoken Hokokusho”)
Clause of Stipulation	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act
Place of Filing	Director-General of the Kanto Local Finance Bureau
Filing Date	June 25, 2025
Fiscal Year	The 54th Fiscal Year (from April 1, 2024 to March 31, 2025)
Company Name	Mitsubishi HC Capital Inc.
Company Name in English	Mitsubishi HC Capital Inc.
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Place for Public Inspection	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo) Mitsubishi HC Capital Inc. Nagoya Office (22-24, Marunouchi 3-chome, Naka-ku, Nagoya, Aichi) Mitsubishi HC Capital Inc. Osaka Office (1-1, Fushimimachi 4-chome, Chuo-ku, Osaka, Osaka) Mitsubishi HC Capital Inc. Omiya Branch (11-3, Sakuragicho 1-chome, Omiya-ku, Saitama, Saitama) Mitsubishi HC Capital Inc. Yokohama Branch (11-5, Kitasaiwai 1-chome, Nishi-ku, Yokohama, Kanagawa)

Part 1 Company Information

Item 1. Overview of the Company and its Consolidated Subsidiaries

1. Summary of Business Results

(1) Consolidated

Fiscal Year		50th	51st	52nd	53rd	54th
Year ended		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Revenues	(Millions of Yen)	947,658	1,765,559	1,896,231	1,950,583	2,090,808
Recurring Income	(Millions of Yen)	64,968	117,239	146,076	151,633	193,594
Net Income Attributable to Owners of the Parent	(Millions of Yen)	55,314	99,401	116,241	123,842	135,165
Comprehensive Income	(Millions of Yen)	53,066	174,586	265,136	220,222	160,575
Total Equity	(Millions of Yen)	817,906	1,333,467	1,551,029	1,705,345	1,804,523
Total Assets	(Millions of Yen)	6,014,896	10,328,872	10,726,196	11,149,858	11,762,332
Equity per Share	(Yen)	901.66	912.19	1,064.46	1,174.88	1,246.64
Earnings per Share	(Yen)	62.07	69.24	80.95	86.30	94.19
Diluted Earnings per Share	(Yen)	61.84	69.06	80.71	86.06	93.98
Equity Ratio	(%)	13.4	12.7	14.3	15.1	15.2
Return on Equity	(%)	7.0	8.0	8.2	7.7	7.8
Price Earnings Ratio	(Times)	10.8	8.2	8.4	12.4	10.7
Cash Flows from Operating Activities	(Millions of Yen)	199,314	195,845	46,752	(49,128)	(296,884)
Cash Flows from Investing Activities	(Millions of Yen)	1,220	(107,879)	(127,322)	143,336	(96,977)
Cash Flows from Financing Activities	(Millions of Yen)	(372,808)	(192,157)	(8,948)	(222,977)	353,628
Cash and Cash Equivalents at the End of the Year	(Millions of Yen)	286,213	520,083	460,486	335,307	290,805
Number of Employees (Separately, Average Number of Temporary Employees)	(Persons)	3,284 (372)	8,803 (1,569)	8,648 (1,462)	8,424 (1,383)	8,380 (1,336)

(Notes) 1. Effective from the 51st term, the Company changed its accounting policies for "Method for How to Post Re-leasing Revenues in Lease Transactions," "Method for Posting Lease Transactions as Finance," and "Method for Posting Deferred Assets (Bond Issuance Cost)," and the new accounting policies have been retrospectively applied to the figures of the 50th term.

2. A performance-based stock compensation plan has been introduced from the 53rd fiscal year. The Company's shares held by a trust under the performance-based stock compensation plan are included in the number of treasury shares excluded from the number of outstanding shares as of March 31 used for calculation of equity per share. They are also included in the number of treasury shares deducted in the calculation of average number of shares outstanding during the period for the purpose of calculating earnings per share and diluted earnings per share.

(2) Management Indicators of the Submitting Company, etc.

Fiscal Year		50th	51st	52nd	53rd	54th
Year ended		March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025
Revenues	(Millions of Yen)	492,019	838,475	764,506	755,707	734,545
Recurring Income	(Millions of Yen)	61,392	34,008	79,910	73,293	59,934
Net Income	(Millions of Yen)	63,399	51,584	82,204	82,798	47,493
Share Capital	(Millions of Yen)	33,196	33,196	33,196	33,196	33,196
Total Number of Issued Shares	(Shares)	895,834,160	1,466,912,244	1,466,912,244	1,466,912,244	1,466,912,244
Total Equity	(Millions of Yen)	557,554	880,601	881,212	851,108	861,780
Total Assets	(Millions of Yen)	4,181,294	5,700,025	5,317,966	4,963,571	4,989,602
Equity per Share	(Yen)	623.69	612.00	612.09	592.04	599.36
Dividend per Share (of the above Interim Dividend per Share)	(Yen)	25.50 (12.75)	28.00 (13.00)	33.00 (15.00)	37.00 (18.00)	40.00 (20.00)
Earnings per Share	(Yen)	71.14	35.93	57.24	57.70	33.10
Diluted Earnings per Share	(Yen)	70.87	35.84	57.08	57.54	33.02
Equity Ratio	(%)	13.3	15.4	16.5	17.1	17.2
Return on Equity	(%)	11.9	5.7	9.4	9.6	5.6
Price Earnings Ratio	(Times)	9.4	15.9	11.9	18.5	30.4
Payout Ratio	(%)	35.8	77.9	57.7	64.1	120.8
Number of Employees (Separately, Average Number of Temporary Employees)	(Persons)	1,412 (112)	2,235 (289)	2,182 (282)	2,140 (283)	2,102 (256)
Total Shareholders Return (Indicator: TOPIX Machinery Index)	(%) (%)	130.4 (142.1)	117.2 (145.0)	144.8 (153.4)	224.3 (216.8)	220.1 (213.4)
Highest Share Price of Each Fiscal Year	(Yen)	699.0	670.0	747.0	1,095.5	1,102.0
Lowest Share Price of Each Fiscal Year	(Yen)	437.0	521.0	558.0	675.0	854.0

(Notes) 1. The highest and lowest share prices were those on the First Section of the Tokyo Stock Exchange on or before April 3, 2022, and have been those on the Prime Market of the Tokyo Stock Exchange since April 4, 2022.

2. Effective from the 51st term, the Company changed its accounting policies for "Method for How to Post Re-leasing Revenues in Lease Transactions," "Method for Posting Lease Transactions as Finance," and "Method for Posting Deferred Assets (Bond Issuance Cost)," and the new accounting policies have been retrospectively applied to the figures of the 50th term.

3. A performance-based stock compensation plan has been introduced from the 53rd fiscal year. The Company's shares held by a trust under the performance-based stock compensation plan are included in the number of treasury shares excluded from the number of outstanding shares as of March 31 used for calculation of equity per share. They are also included in the number of treasury shares deducted in the calculation of average number of shares outstanding during the period for the purpose of calculating earnings per share and diluted earnings per share.

2. History

Month and Year	Former Mitsubishi UFJ Lease & Finance Company Limited	Former Hitachi Capital Corporation
September 1957		Established Tokyo Hitachi Home Electric Appliance Geppuhanbai Corp. and Osaka Hitachi Home Electric Appliance Geppuhanbai Corp. (merged with Hitachi Geppan Corp. in December 1960).
May 1958		Established Kyushu Hitachi Home Electric Appliance Geppuhanbai Corp. and Nagoya Hitachi Home Electric Appliance Geppuhanbai Corp. (merged with Hitachi Geppan Corp. in December 1960).
August 1960		Established Hitachi Geppan Corp. (changed its trade name to Hitachi Credit Corp. in January 1969).
April 1971	Established Diamond Lease Company Limited with a total of 16 companies as shareholders, including 11 Mitsubishi Group companies, notably The Mitsubishi Bank, Limited (currently MUFG Bank, Ltd.), Mitsubishi Corporation, The Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation), Meiji Life Insurance Company (currently Meiji Yasuda Life Insurance Company), and Tokio Marine & Fire Insurance Co., Ltd. (currently Tokio Marine & Nichido Fire Insurance Co., Ltd.), as well as Nippon Life Insurance Company, The Dai-ichi Mutual Life Insurance Company (currently The Dai-ichi Life Insurance Company, Limited), and three affiliated companies of The Chase Manhattan Bank (at that time).	
December 1976		Listed on the Second Section of the Tokyo Stock Exchange.
September 1979		Listed on the First Section of the Tokyo Stock Exchange.
March 1985	Listed on the Second Section of the Tokyo Stock Exchange.	
September 1988	Listed on the First Section of the Tokyo Stock Exchange.	
October 1999	Merged with Ryoshin Leasing Corp.	
October 2000		Merged with Hitachi Leasing Corp. and changed its trade name to Hitachi Capital Corp.
April 2007	Merged with UFJ Central Leasing Co., Ltd. and changed its trade name to Mitsubishi UFJ Lease & Finance Company Limited. Listed on the First Section of the Nagoya Stock Exchange.	
August 2016	Mitsubishi UFJ Lease & Finance Company Limited and Hitachi Capital Corp. entered into a capital and business alliance.	

Month and Year	Mitsubishi HC Capital Inc.
April 2021	Mitsubishi UFJ Lease & Finance Company Limited merged with Hitachi Capital Corp. and changed its trade name to Mitsubishi HC Capital Inc.
November 2021	Acquired all shares of CAI International, Inc. and made it a consolidated subsidiary.
April 2022	Following the reorganization of market segments on the stock exchanges, shifted to the Prime Market of the Tokyo Stock Exchange and the Premier Market of the Nagoya Stock Exchange.
June 2024	Delisted from the Nagoya Stock Exchange.

3. Description of Business

The Group consists of the Company, its 443 subsidiaries and 83 affiliates. Other affiliated companies include Mitsubishi Corporation and Mitsubishi UFJ Financial Group, Inc.

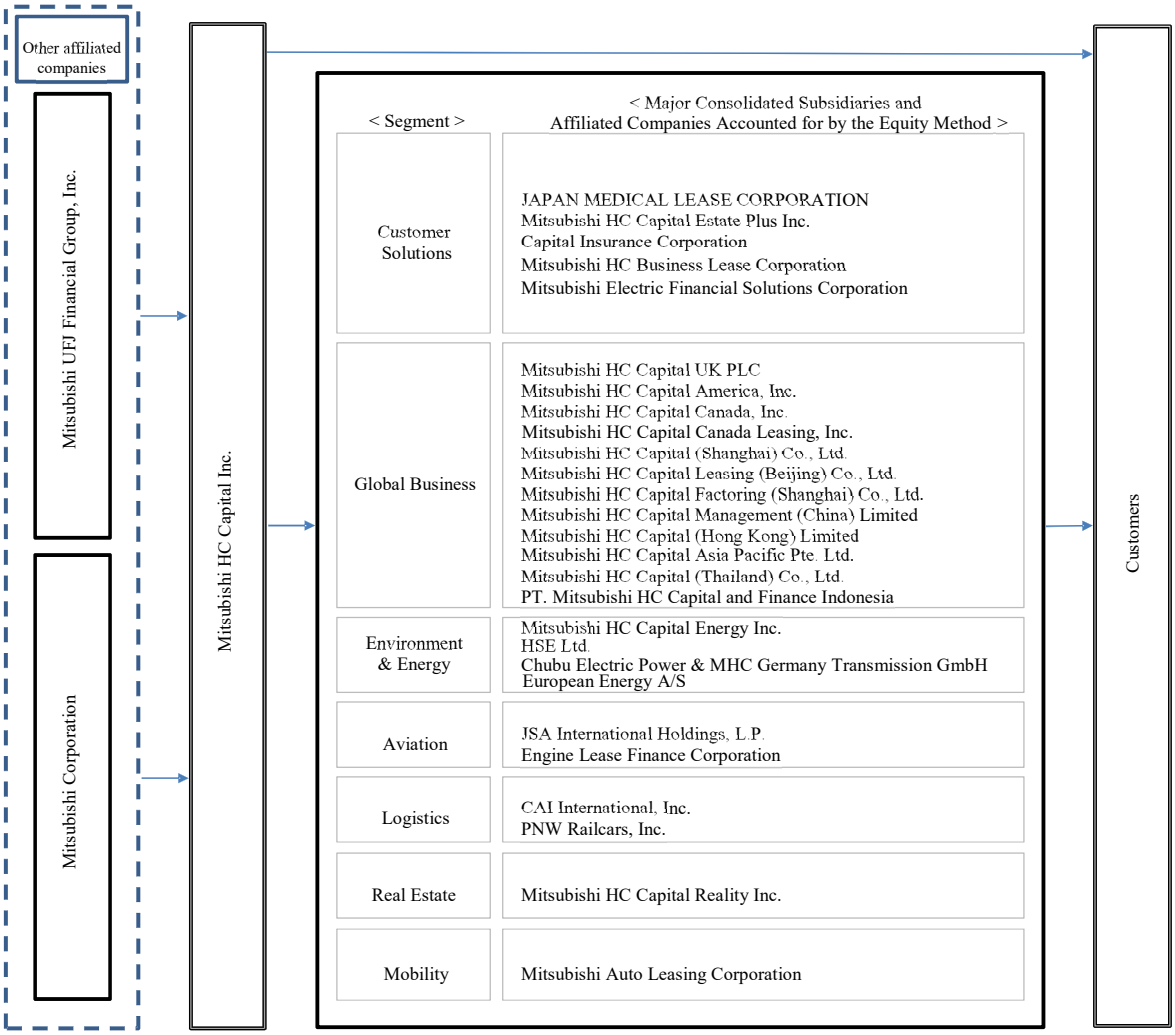
(1) The Group is conducting its business in the seven segments of "Customer Solutions," "Global Business," "Environment & Energy," "Aviation," "Logistics," "Real Estate," and "Mobility."

The main businesses of each reportable segment are as follows.

Reportable Segments	Main Businesses Description
Customer Solutions	Finance solution business for companies and government agencies, energy-saving solution business, sales finance business provided through collaboration with vendors, real estate leasing business, and financial service business
Global Business	Finance solution business, and sales finance business provided through collaboration with vendors in Europe, the Americas, China, and ASEAN region
Environment & Energy	Renewable energy business and environment related finance solution business
Aviation	Aircraft leasing business and aircraft engine leasing business
Logistics	Marine container leasing business and railcar leasing business
Real Estate	Real estate finance business, real estate investment business, and real estate asset management business
Mobility	Auto leasing business and supplementary services

From the fiscal year ending March 31, 2026, the name of the reportable segment "Global Business" will be changed to "Global Customer."

(2) Our business structure is shown below.



4. Overview of Subsidiaries and Affiliates

Company Name	Location	Share Capital	Principal Business (Note 1)	Ownership or Ownership Ratio of Voting Rights (%)	Relationship
(Consolidated Subsidiaries) JAPAN MEDICAL LEASE CORPORATION	Shinagawa-ku, Tokyo	¥100 million	Customer Solutions	100	Loans of business funds
Mitsubishi HC Capital Estate Plus Inc.	Chiyoda-ku, Tokyo	¥251 million	Customer Solutions	100	Loans of business funds Leasing of real estate and others
Capital Insurance Corporation (Note 3)	Chiyoda-ku, Tokyo	¥6,200 million	Customer Solutions	79.36	
Mitsubishi HC Business Lease Corporation (Note 3)	Minato-ku, Tokyo	¥10,000 million	Customer Solutions	100	Leasing of equipment, etc. Loans of business funds
Mitsubishi HC Capital UK PLC (Notes 3 and 5)	Staines-upon-Thames	STG£116,168 thousand	Global Business	100	Debt guarantee
Mitsubishi HC Capital America, Inc. (Notes 2, 3 and 4)	Norwalk	US$180,000 thousand	Global Business	100 (100)	Debt guarantee
Mitsubishi HC Capital Canada, Inc. (Notes 3 and 4)	Burlington	CA$97,000 thousand	Global Business	100 (100)	Debt guarantee
Mitsubishi HC Capital Canada Leasing, Inc. (Note 4)	Trois-Rivieres	CA$10,126 thousand	Global Business	100 (100)	Debt guarantee
Mitsubishi HC Capital (Shanghai) Co., Ltd. (Note 3)	Shanghai	US$55,000 thousand	Global Business	100	Debt guarantee
Mitsubishi HC Capital Leasing (Beijing) Co., Ltd. (Notes 3 and 4)	Beijing	US$170,000 thousand	Global Business	100 (100)	Debt guarantee
Mitsubishi HC Capital Factoring (Shanghai) Co., Ltd. (Notes 3 and 4)	Shanghai	RMB306,570 thousand	Global Business	100 (100)	
Mitsubishi HC Capital Management (China) Limited (Note 3)	Hong Kong	HK$2,285,516 thousand	Global Business	100	
Mitsubishi HC Capital (Hong Kong) Limited (Notes 3 and 4)	Hong Kong	HK$310,000 thousand	Global Business	100 (100)	Debt guarantee
Mitsubishi HC Capital Asia Pacific Pte. Ltd. (Note 3)	Singapore	S$126,400 thousand	Global Business	100	Debt guarantee
Mitsubishi HC Capital (Thailand) Co., Ltd. (Notes 3 and 4)	Bangkok	THB1,100,000 thousand	Global Business	100 (51)	Debt guarantee
PT. Mitsubishi HC Capital and Finance Indonesia (Notes 3 and 4)	Jakarta	Rp400,000 million	Global Business	100 (15)	Debt guarantee
Mitsubishi HC Capital Energy Inc.	Chiyoda-ku, Tokyo	¥150 million	Environment & Energy	100	Leasing of equipment, etc. Loans of business funds
HSE Ltd.	Hitachi-shi, Ibaraki	¥50 million	Environment & Energy	85.1	Leasing of equipment, etc. Loans of business funds

Company Name	Location	Share Capital	Principal Business (Note 1)	Ownership or Ownership Ratio of Voting Rights (%)	Relationship
JSA International Holdings, L.P. and its 16 subsidiaries (Note 3)	Cayman Islands Grand Cayman, etc.	US$742,183 thousand	Aviation	100	Loans of business funds Debt guarantee
Engine Lease Finance Corporation (Note 4)	Shannon	US$1 thousand	Aviation	100 (100)	Debt guarantee
CAI International, Inc. (Note 4)	San Francisco	US$0 thousand	Logistics	100 (100)	Debt guarantee
PNW Railcars, Inc. (Note 4)	Portland	US$1 thousand	Logistics	100 (100)	
Mitsubishi HC Capital Reality Inc.	Chiyoda-ku, Tokyo	¥500 million	Real estate	100	Loans of business funds
MHC America Holdings Corporation (Note 3)	New York	US$0 thousand	Group financing business	100	Debt guarantee
209 other companies					
(Affiliated companies accounted for by the equity method) Mitsubishi Electric Financial Solutions Corporation	Shinagawa-ku, Tokyo	¥1,010 million	Customer Solutions	45	Leasing of equipment, etc.
Chubu Electric Power & MHC Germany Transmission GmbH	Dusseldorf	EUR25 thousand	Environment & Energy	49	
European Energy A/S (Note 4)	Søborg	EUR50,538 thousand	Environment & Energy	20.09 (20.09)	
Mitsubishi Auto Leasing Corporation	Minato-ku, Tokyo	¥960 million	Mobility	50	Leasing of equipment, etc.
60 other companies					
(Other affiliated companies) Mitsubishi Corporation (Note 6)	Chiyoda-ku, Tokyo	¥204,446 million	General trading company	(Owned) 18.40	Leasing of equipment, etc.
Mitsubishi UFJ Financial Group, Inc. (Notes 4 and 6)	Chiyoda-ku, Tokyo	¥2,141,513 million	Bank holding company	20.04 (5.52)	

(Notes) 1. The "Principal Business" column of consolidated subsidiaries other than MHC America Holdings Corporation indicates the name of the reportable segment of the principal business operated by the consolidated subsidiaries. Since MHC America Holdings Corporation does not belong to any specific reportable segment, the business it operates is presented.

2. As of March 31, 2025, all shares of Mitsubishi HC Capital America Inc. were transferred by means of a contribution in kind to MHC America Holdings Corporation, making Mitsubishi HC Capital America Inc. a direct subsidiary of MHC America Holdings Corporation (and thereby a sub-subsidiary of the Company).

3. These companies are specific subsidiaries.
In addition, 3 of the 16 subsidiaries of JSA International Holdings, L.P. are specific subsidiaries.

4. The figure in parentheses in "Ownership or ownership ratio of voting rights" is included the number of indirect ownership or the ownership ratio of indirect ownership.

5. The percentage of consolidated net sales (excluding internal net sales between consolidated companies) accounted for by Mitsubishi HC Capital UK PLC exceeds 10%.

Key profit and loss information	(1) Revenues	¥270,468 million
	(2) Recurring Income	¥20,278 million
	(3) Net Income	¥15,082 million
	(4) Total Equity	¥205,429 million
	(5) Total Assets	¥1,662,723 million

6. It is a company that submits annual securities reports.

5. Status of employees

(1) Consolidated

(As of March 31, 2025)

Name of the Segment	Number of Employees	
Customer Solutions	2,419	(749)
Global Business	4,105	(277)
Environment & Energy	172	(39)
Aviation	241	(13)
Logistics	179	(1)
Real Estate	239	(69)
Mobility	292	(85)
Company-wide (common)	733	(103)
Total	8,380	(1,336)

(Notes) 1. Number of employees includes those seconded from outside of the Group to the Group, excluding those seconded from the Group to outside of the Group.
2. The figures in parentheses in the column of the number of employees indicate the average number of temporary employees employed during the fiscal year under review.
3. The number of temporary employees includes part-timers, temporary employees, and employees on temporary contracts.
4. The employees indicated as Company-wide (common) belong to administrative divisions, which cannot be classified in any specific segment.

(2) Status of Submitting Company

(As of March 31, 2025)

Number of Employees	Average Age	Average Length of Service	Average Annual Salary (Thousands of Yen)
2,102 (256)	40.5	15 years and 3 months	10,076

Name of the Segment	Number of Employees	
Customer Solutions	1,117	(129)
Global Business	43	(8)
Environment & Energy	76	(3)
Aviation	44	(5)
Logistics	26	(1)
Real Estate	48	(3)
Mobility	24	(4)
Company-wide (common)	724	(103)
Total	2,102	(256)

(Notes) 1. Number of employees includes those seconded from other companies to the Company, excluding those seconded from the Company to other companies.
2. The figures in parentheses in the column of the number of employees indicate the average number of temporary employees employed during the fiscal year under review.
3. The number of temporary employees includes part-timers, temporary employees, and employees on temporary contracts.
4. Average annual salary includes bonuses and non-standard wages.
5. The employees indicated as Company-wide (common) belong to administrative divisions, which cannot be classified in any specific segment.

(3) Relationship with Labor Union

Some consolidated subsidiaries have labor unions.

There is nothing to be noted for labor-management relations.

(4) Information on Diversity

(i) Initiatives to promote Diversity, Equity, Inclusion and Belonging

We position the promotion of DEIB, which stands for diversity, equity, inclusion and belonging, as an important management strategy for the further expansion of the Group's business domain and global development.

Diversity, Equity, Inclusion and Belonging (DEIB)

Diversity A situation in which diverse personnel with nationality, age, gender, sexual orientation, gender identity, race, disability or values, etc. are present	**Equity** Elimination of inequities and barriers, and realization of the provision of equal opportunities
Inclusion A situation in which diversity is respected, abilities are mutually recognized, and talents are being utilized.	**Belonging** A sense of belonging as a member of an organization. The ability to grow while having satisfaction, pride, and ambition

Basic Views

We seek to foster a corporate culture with the vitality to create new value by bringing together diverse human resources so they can leverage one another's strengths to maximize the impact of their individual motivations and talents, and enabling each person to work with satisfaction, pride, and ambition as a member of the organization.

Management Message

Mitsubishi HC Capital positions the promotion of DEIB as an important management strategy for the further expansion of the Group's business domain and global development. We aim to create an environment that brings together talented individuals with a diversity of knowledge, experience, and attributes so they can leverage one another's strengths to maximize the impact of their individual motivations and talents.

To realize a workplace environment where diverse talent can exercise their strengths and have a real feeling of their growth as a member of an organization, we hire and promote personnel regardless of nationality, age, gender, sexual orientation, gender identity, race, or disability. Further, we support the formation of careers tailored to each individual and provide a robust support system to accommodate a variety of work styles, and strive to foster a supportive corporate culture. Through such efforts, we will continue to advance diversity, equity, inclusion and belonging.

Diversity, Equity & Inclusion

ちがいを受け入れ
ちがいをチカラに
誰もがチャレンジ

Embracing diversity as a strength so that all may thrive.

Taiju Hisai, Representative Director, President & CEO Mitsubishi HC Capital Inc.

(ii) Results of Each Indicator for Diversity of the Submitting Company and Consolidated Subsidiaries

Submitting Company

Fiscal Year under Review				
Ratio of Female Workers in Management Positions (%) (Note 1)	Ratio of Taking Childcare Leave for Male Workers (%) (Notes 2 and 3)	Gender Pay Gap for Workers (%) (Notes 1 and 4)		
		All Workers	Of which Regular Workers	Of which Part-Timers and Fixed-Term Workers
18.3	81.7	66.7	64.9	64.9

(Notes) 1. The figures were calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

2. The figures represent the percentage of taking childcare leave, etc. specified in Article 71-6, Item 1 of the "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991)" pursuant to the provisions of the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991)."

3. The ratio of male workers, by employment management classification, who have taken childcare leave at Mitsubishi HC Capital Inc. is as follows: An asterisk "*" indicates that there were no male workers eligible to take childcare leave.

Career-track positions	81.7%
Business professional	*
Business associate	*

4. For salary, the same standards are applied depending on position and post. Gender pay gap for the same position and post does not differ. Differences in the average salary for men and women occur due to hiring by position, the number of years of continuous service and other factors. We will continue to advance women's long-term employment, support women's career development, and proactively carry out promotions.

Consolidated Subsidiaries (Note 1)

Fiscal Year under Review					
Company Name	Ratio of Female Workers in Management Positions (%) (Note 2)	Ratio of Taking Childcare Leave for Male Workers (%) (Note 3)	Gender Pay Gap for Workers (%) (Notes 2 and 4)		
			All Workers	Of which Regular Workers	Of which Part-Timers and Fixed-Term Workers
Mitsubishi HC Business Lease Corporation	12.8	33.3	65.2	67.3	62.6
MITSUBISHI HC CAPITAL IT PARTNERS Inc.	22.7	Not applicable	72.6	72.6	Not applicable
MHC Triple Win Corporation (Note 5)	5.9	–	–	–	–
Mitsubishi HC Capital Servicer Corporation (Note 5)	31.3	–	–	–	–
JAPAN MEDICAL LEASE CORPORATION	12.5	25.0	70.9	71.3	62.4
MHC Eco Solutions Co., Ltd.	4.2	100.0	65.9	91.3	84.8

(Notes) 1. As for consolidated subsidiaries, we disclose indicators released, or scheduled to be released shortly, for domestic consolidated subsidiaries with 101 or more regularly employed workers as stipulated by the "Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015)," pursuant to the said act.

2. The figures were calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
3. The figures represent the percentage of taking childcare leave, etc. specified in Article 71-6, Item 1 of the "Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991)" pursuant to the provisions of the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991)."
4. For salary, the same standards are applied depending on position and post. Gender pay gap for the same position and post does not differ. Differences in the average salary for men and women occur due to hiring by position, the number of years of continuous service and other factors. We will continue to advance women's long-term employment, support women's career development, and proactively carry out promotions.
5. For MHC Triple Win Corporation and Mitsubishi HC Capital Servicer Corporation, the relevant information is indicated as "–" since they do not qualify as domestic consolidated subsidiaries with 301 or more regularly employed workers as stipulated by the "Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015)," pursuant to the said act.

Item 2. Business Overview

1 Management Policy, Business Environment and Tasks Ahead, etc.

The management policy, business environment and tasks ahead, etc. of the Group are as follows.

Forward-looking statements herein are based on the Group's judgment as of the end of the fiscal year under review.

(1) Basic Management Policy

As its basic management policy, the Company has established "Our Mission," "Our Vision," and "Action Principles" indicated below.

"Our Mission" is our long-term goal, "Our Vision" is the objectives to achieve our long-term goal, and the "Action Principles" are the values and mindset to be held and actions to be taken by each and every employee in order to realize our Mission and Vision.

◎ Our Mission

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

◎ Our Vision

- 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

- Challenge : 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.

(2) The Company's Management Strategy in the Medium to Long Term and Issues to Be Addressed

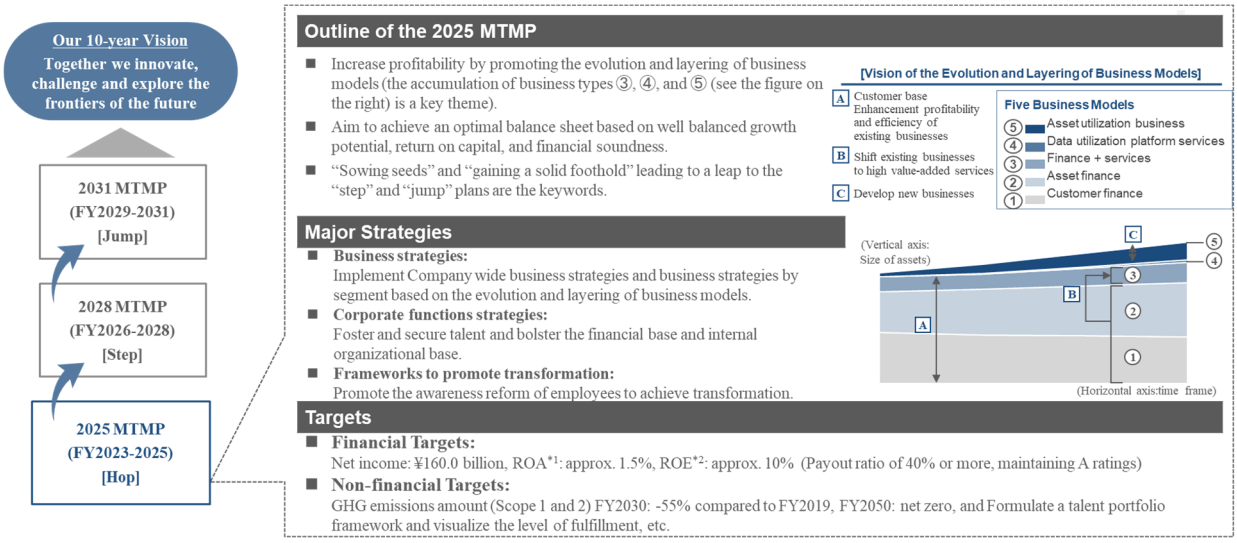
(i) Business Environment

In recent years, there have been drastic changes in the external environment and there is an increasing need to recognize megatrends, or the trends influencing domestic and international economies over the medium to long term, such as geopolitics and the economy, climate change, expansion and evolution of technology, and demographics.

In these changes to the external environment, the roles required of the Group are changing to better resolve social issues through business investment and operation, in addition to conventional leasing and finance. Further, business models at an industry level are expected to change rapidly at a speed which has exceeded all expectations. In such circumstances that all companies are to adapt to the environmental changes, the prominence of the Group, holding various asset-related functions and offering flexible services which are not limited to financial functions, will increase further.

(ii) The Direction the Group Should Take and the MTMP

The Group has established Our 10-year Vision, "Together we innovate, challenge and explore the frontiers of the future." We will work toward achieving this vision through a series of three Medium-term Management Plans ("hop," "step," and "jump"). The Medium-term Management Plan covering the three-year period from FY2023 (fiscal year ended March 31, 2024; the "2025 MTMP") is positioned as the "hop" plan, and we are engaging in initiatives under the key themes of "Sowing seeds" and "Gaining a solid foothold" to drive a leap forward into the "step" and "jump" phases.



(Note) Net income attributable to owners of the parent is used in the calculations of ROA and ROE.
*1: ROA: Return On Asset. The ROA for the fiscal year ending March 2026 is expected to be 1.4%.
*2: ROE: Return On Equity. The ROE for the fiscal year ending March 2026 is expected to be 8.8%.

(iii) Business Strategies

Evolution and Layering of Business Models

The Group's businesses are classified into the five types below and is proceeding with the evolution and layering of business models to achieve business portfolio transformation.

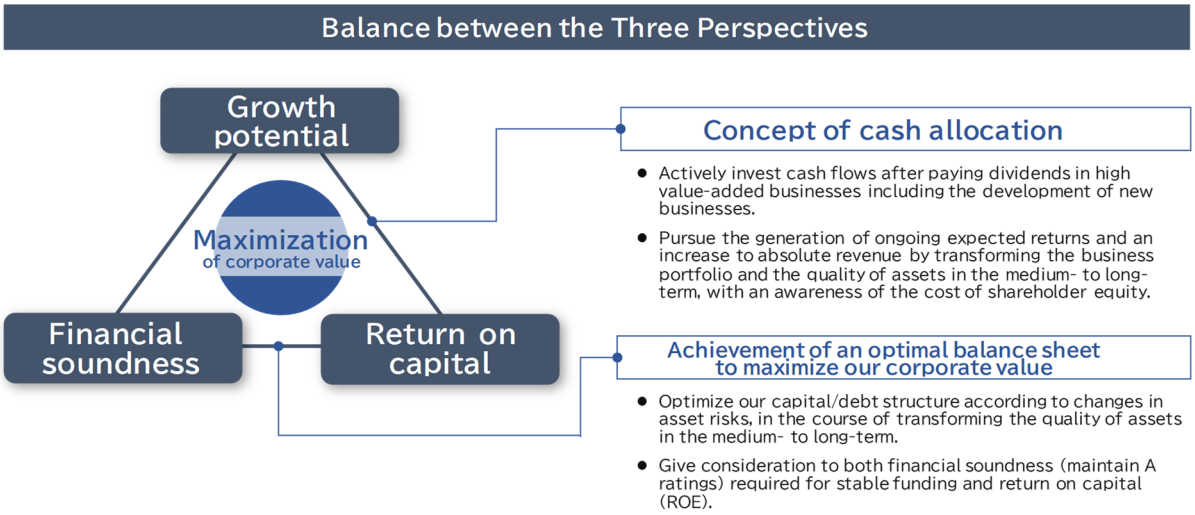
Evolution and Layering of Business Models

Business Type	Business Characteristics	Direction	Examples	Risk	Return
⑤ Asset utilization business	Promote business investment utilizing assets, aiming to maximize revenue from those businesses	Risks and returns are relatively higher than ① and ②, so we will increase the size of asset utilization business in a phased manner in consideration of risk capital, etc.	• Non-FIT renewable energy businesses • Real estate revitalization and development investment	Medium risk and medium return	
④ Data utilization platform services	Utilize data to develop platform businesses, and mainly acquire service revenue	The initiative for this business is difficult and will take time to generate profits. However, it will help differentiate MHC from competitors, so we will actively plant seeds for this domain	• Inventory optimization services utilizing data • Sharing services utilizing data		
③ Finance + services	Add maintenance services, Asset Management, etc. mainly to ②, and acquire service revenue as well as income gain and capital gain	Promote the shift mainly from ② (add services) to increase profitability	• Operating leases with maintenance services • Service solutions such as asset management		
② Asset finance	Investment and lending mainly in specific marketable general purpose assets backed by the value of business assets. Capital gain as well as income gain can be acquired	A profit base which generates stable cash flows. However, some assets have relatively low risk but yield low returns, so we aim to increase profitability by reducing low-profitability assets and evolving into an O&D business	• Operating leases • Real estate securitization	Low risk and low return	
① Customer finance	Acquire income gain more stably and continuously through corporate financing	Same as ②. However, risks and returns of this business are both lower than ②, so we will take drastic action to increase profitability (accelerating the reduction of low-profitability assets, promoting efficiency improvement, etc.)	• Finance leases • Vendor leases • Installment sales • Lending		

Premise for Business Strategies

We will achieve profit growth by transforming our business portfolio and the quality of our assets in the medium- to long-term through the evolution and layering of business models. To this end, we will actively invest cash flows from a medium- to long-term perspective after paying dividends.

For the purpose of supporting this effort, we will achieve medium- to long-term return on capital and financial soundness by optimizing our balance sheet, and then maximize our corporate value.



Business Strategies by Segment

The business strategies by segment are as follows.

Segment	Road to Achieving the 2025 MTMP
Customer Solutions	・ Maximize profit by increasing highly profitable segment assets. ・ Push ahead with high-profit businesses such as the refurbishment[*1] business of used semiconductor manufacturing equipment and others and the PC-LCM[*2] business. ・ Accelerate the rollout of high value-added businesses with external partner companies to the market. ・ Enhance information sharing among organizations based on the new Customer Relationship Management system and instill proposal-making methods with accurate understanding of customer and social issues to shift to data-driven sales activities.
Global Business	<Europe> ・ Recover the performance of the mobility business in Europe, in addition to growing main businesses. ・ Increase profitability by streamlining business processes through the accumulation of highly profitable assets and ongoing enhancement of systems and investment in digitalization. <Americas> ・ In the vendor finance business, expand domains other than the transportation business in addition to sophisticating risk management. ・ In the commercial finance business, continue to expand existing businesses and push ahead with initiatives for high added-value products such as as-a-service businesses and FMV leasing.[*3]
Environment & Energy	<Domestic> ・ Expand our domestic power generating capacity (solar, wind power, etc.) and promote initiatives to increase added value. ・ Sell some of our solar power generation businesses with the aim of replacing them in our business portfolio and generating profits. <Overseas> ・ Reshuffle our portfolio by selling infrastructure projects, in parallel with the development of renewable energy businesses through European Energy A/S.
Aviation	・ Increase the asset turnover ratio and profitability through growth strategies such as the diversification of products as well as further collaboration with Group companies. ・ Promote research and development in the fields of next-generation aviation technologies and decarbonization, and thereby develop a business platform for the future.
Logistics	・ In the marine container leasing business, increase quality assets through new investments by understanding market conditions, maintain high utilization rates by extending matured contracts or leasing idle containers, and maximize gains on sales. ・ In the railcar leasing business in north America, increase profitability by maintaining high utilization rates, raising leasing fees, and extending leasing terms, as well as maximizing gains on sales by further promoting the asset turnover model.
Real Estate	・ Increase profit generated during leasing terms by strengthening development functions and improving capabilities to enhance value, such as renovation and conversion, and generate gains on sales of assets. ・ Strengthen the Origination & Distribution business by promoting the establishment of funds in the asset management business.

Segment	Road to Achieving the 2025 MTMP
Mobility	<Domestic> ・ Expand the auto leasing customer base by accelerating proposal-making for integrated EV services. ・ Increase the number of operational vehicles by strengthening sales capabilities following the merger of the two auto leasing companies. <ASEAN> ・ Collaborate with partner company to increase our presence, enhance proposals, etc., and accelerate the acquisition of assets.

*1 Refurbishment: To service and finish used items to a like-new condition.

*2 PC-LCM (PC- Life Cycle Management): A service responding to customers' various requests, such as the initial setup and installment of PCs, repairing PCs, and providing replacement PCs when PCs break down.

*3 FMV (fair market value) leasing: A flexible leasing agreement in which the customer can choose to return the asset, purchase it at its fair market value, or extend the lease at the end of the leasing term.

Key Themes across Segments

We have defined the themes below to be addressed with the concerted efforts of the Group across segments.

These themes will lead to our goal of contributing to a prosperous and sustainable future by creating social value with partners, not by the Group alone.

	Future Vision
Hydrogen	Contribute to building a hydrogen supply chain centered on low-carbon hydrogen* production.
EV	Contribute to realizing a carbon-neutral society based on EVs.
Logistics	Become a company that develops and provides optimal logistics solutions to address social issues and customer needs in logistics supply chains through collaborations with leading partners.
Decarbonization Solutions	Become an integrated service provider to realize a decarbonized society.

* Low-carbon Hydrogen: Hydrogen that emits less than a certain amount of carbon dioxide during production and meets the requirements set out in an ordinance of the Ministry of Economy, Trade and Industry.

(iv) Corporate Functions Strategies

We are enhancing our corporate functions centering on the four strategies below.

	FY2025 plans (major Initiatives)
Fostering and Securing Talent	・ Visualize the level of fulfillment by understanding the appropriate headcount for each role and matching talent information ・ Expand the scope of the remuneration system based on each employee's contribution to business results ・ Enhance the analysis of the engagement survey and implement measures to maintain and enhance engagement
Bolstering the Financial Base and Internal Organizational Business	・ Sophisticate risk management and reduce the cost of funds by optimizing ALM*1, introducing CMS*2 in the U.S., etc. ・ Improve the risk appetite statement*3 and consider applying it to other businesses ・ Expand the functions and purposes of the environment for Company-wide data utilization in a phased manner
Enhancing the Corporate Governance Framework	・ Introduce a risk assessment method for new businesses ・ Strengthen risk ownership at the front lines of sales operations ・ Improve audit quality across the entire Group in Japan and overseas
Improving Stakeholder Engagement	・ Continue to hold Business Segment Meetings for investors ・ Renew the corporate website on a full scale (scheduled for release in FY2026) ・ Establish a PDCA cycle for sustainability management and disclose its progress

*1 Asset Liability Management: Comprehensive management of assets and liabilities

*2 Cash Management System: A centralized, efficient system for managing the cash of the entire Group.

*3 Risk Appetite Statement: A written statement of matters including the types of risk related to business management and the Company's approach to risk taking and risk management.

(v) Frameworks to promote transformation

We will eliminate obstacles to achieving transformation, and change our way of thinking for transformation.

We will speedily promote various initiatives from new perspectives and not simply stay on conventional paths.

	Direction of Initiatives
1 "Lay" the Foundation of Transformation	Foster all employees' awareness of transformation.
2 "Create" Transformation	Develop frameworks so that efforts contributing to transformation can be actively launched.
3 "Promote" Transformation	Develop an agile discussion framework and promote transformation by advancing efficient decision-making processes and the delegation of authority that comes with responsibility, etc.

(3) Business Issues to Be Addressed as a Priority Matter

In order to achieve Our 10-year Vision, the Group is proceeding with the "evolution and layering of business models" by promoting services and business investment, utilizing tangible and intangible assets, such as data and other elements, to their fullest potential.

It is considered necessary to transform the awareness of each employee in order to progress the "evolution and layering of business models." As a mechanism for this, we are building the "frameworks to promote transformation." We are implementing measures from three angles of "laying the foundation of transformation," "creating transformation," and "promoting transformation," and are executing the measures from new perspectives that are not an extension of the past.

(4) Target Performance Indicators

The Company will aim to achieve the following financial and non-financial targets during FY2023 to FY2025 (from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2026), which is the period that is the subject of the 2025 MTMP.

<Financial Targets>

Item	Targets	
Financial Targets (End of FY2025)	Net Income Attributable to Owners of the Parent	¥160.0 billion (CAGR vs. FY2022: +11.2%)
	ROA	approximately 1.5%*1 (approximately +0.4pts vs. FY2022)
	ROE	approximately 10%*2 (approximately +1.8pts vs. FY2022)
Dividend Policy (2025 MTMP Period)	Payout ratio: 40% or higher	・ As a general rule, return profits to shareholders by paying dividends ・ Increase the total amount of dividend payment through profit growth
Financial Soundness (2025 MTMP Period)	Maintain A ratings	・ Establish both a sound financial base and an active investment strategy ・ Maintain current stand-alone ratings*3

(Notes) Net income attributable to owners of the parent is used in the calculations of ROA and ROE.

*1 The ROA for the fiscal year ending March 2026 is expected to be 1.4%.

*2 The ROE for the fiscal year ending March 2026 is expected to be 8.8%.

*3 Credit ratings for the Group on a stand-alone basis without external support.

<Non-financial Targets>

KPI	Targets (2025 MTMP)
Level of fulfillment of a talent portfolio in line with our management strategies (non-consolidated)	Formulate a talent portfolio framework and visualize the level of fulfillment
Results of the employee engagement survey (non-consolidated)	Refine the survey content, enhance analysis
Employee ratio of “standard” level or higher in DX assessments*1 (non-consolidated)	80% or more
Monthly average overtime hours (operational efficiency) (non-consolidated)	14 hours or less
Rate of annual paid holidays taken by employees (non-consolidated)	70% or more
GHG emissions amount (Scope 3*2) (consolidated)	Analyze the categories which have a major impact and visualize Scope 3*2 emissions
GHG emissions amount (Scope 1*2, 2*2) (consolidated)	FY2030: -55% compared to FY2019 FY2050: net zero
Energy consumption (domestic) (non-consolidated + domestic Group companies)	-1% YoY continually

*1 DX assessment: A tool provided by an external vendor is utilized to measure levels of DX literacy.
Employees are categorized into three levels: beginner, standard, and expert.

*2 Scope 1: Direct emissions of GHG from the business operator itself (fuel combustion, industrial processes)
Scope 2: Indirect emissions associated with use of electricity, heat, and steam supplied by other companies.
Scope 3: Indirect emissions other than Scope 1 and Scope 2 (other companies’ emissions related to the business operator’s activities)

2 Concept and Efforts for Sustainability

Forward-looking statements herein are based on the Group's judgment as of the end of the fiscal year under review.

(1) Basic Views on Sustainability

The Company believes that efforts toward sustainability—among them, protecting the global environment, respecting human rights, and embracing diversity—are an essential responsibility to society that corporations should fulfill. To continue to survive, corporations must pursue long-term growth while gaining the trust of their stakeholders by engaging in business activities that seek to resolve environmental, social, and economic issues.

(2) Materiality (material Issues)

Mitsubishi HC Capital Inc. has identified the six material issues below as priority key challenges which must be addressed to achieve sustainable development of the Group.

Against a backdrop of megatrends on a global scale such as climate change driven by global warming, population growth, urbanization, and a scarcity of resources in recent years, not only our personal lives but also social environments have been drastically changing worldwide. Under such circumstances, companies are expected to make efforts to solve numerous issues, such as promoting a decarbonized society and building a circular economy.

The Group proceeds its effective management and business activities toward solving such issues based on the materiality with appreciating the significance.

Materiality of the Group

Materiality	Why the Group Treats as Highly Material Challenges	Related SDGs
Promote a Decarbonized Society	・ 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. ・ It is quite a few impact on but is significant for the Group to distinct its business from the business not solving social issues.	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Realize the Circular Economy	・ The Group aims to contribute to creating a circular economy by reducing waste, not only in the Group but also within society through maximizing the potential of assets as a leading leader in the leasing industry. The Group treats this challenge as material. ・ The Group can also contribute to realizing a sustainable and prosperous society through strengthening the collaboration between partners.	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER 15 LIFE ON LAND
Establish Resilient Social Infrastructure	・ Large parts of the infrastructure within Japan needs to be repaired. The Group also recognizes the business has huge potential opportunities to support the development of infrastructure in overseas countries with active collaboration between various partners and create a smart city. ・ The Group will contribute to the business being diversified, enhanced and efficient through establishing the system and providing services for supporting the collaboration of various companies.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Realize Healthy Lifestyles that Promote Positive Wellbeing	・ It is vital for its stakeholders that the Group recognizes the importance of health, safety, mental and physical wellbeing for realizing the prosperous future. ・ Valuable human resources are key. Personal development and attraction and retention of talent is significant for the Group members.	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH

Materiality	Why the Group Treats as Highly Material Challenges	Related SDGs
Create Businesses Utilizing the Latest Technologies	• Both financing for the purpose of digital transformation of customers and providing solution by internal and external digital technologies urge to develop new business models. • Including establishing supply chain with utilizing with new alternative energies, the Group identifies material one as the opportunity.	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Collaborate with Partners Locally and Globally	• Social issues differ by countries and regions. It is significant that the Group aims to solve these issues by collaborating with local partners to ensure the Group is meeting individual needs through local community-based communication. • The Group can realize mutual benefits in developing society by utilizing the integrated capability in the Group.	8 DECENT WORK AND ECONOMIC GROWTH 17 PARTNERSHIPS FOR THE GOALS

* Please refer to the website below regarding how the Company identified the materiality.
("Materiality (material Issues)" of the Company's website)
https://www.mitsubishi-hc-capital.com/english/sustainability/materiality.html

(3) Basic Sustainability Policy

The Company established "Our Mission" as its ideal image to contribute to a prosperous and sustainable future by creating social value through maximizing the potential of assets, and defined "Our Vision" as what is required to achieve it. The Basic Sustainability Policy consists of and integrates "Our Mission," "Our Vision" and the materiality.

In particular, we are promoting the appropriate disclosure of information related to initiatives on climate change as part of "Promote a Decarbonized Society," which is one of the materialities set by the Company, and related to initiatives on investments in human capital that aim to resolve the materiality.

How Materiality relates to "Our Mission" and "Our Vision"

(4) Addressing Climate Change

Climate change is a major challenge that needs to be resolved in order for a sustainable society become a reality. The Group believes that for any company to survive moving forward, it must work to solve this problem through its business activities. Furthermore, the Group is aware of the importance of earning the trust of stakeholders through proper disclosure of information, and supports the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Information Disclosure according to Four Disclosure Items suggested by TCFD Recommendations

(i) Governance

The Group has established the Sustainability Committee, as one of the advisory bodies to the Executive Committee, to better contribute to the realization of a sustainable and prosperous future. This Committee discusses the climate change issue and

other key challenges related to sustainability. The results of the deliberations are reported to the Executive Committee and the Board of Directors. The Company has identified the material issues including "Promote a Decarbonized Society" through a resolution of the Board of Directors after deliberations by the Sustainability Committee and Executive Committee. The Board of Directors will then supervise the progress in achieving the environmental targets set out below in "(iv) Metrics and Targets." Going forward, we will strengthen governance to realize a carbon neutral society by, for example, considering a framework that links the degree of achieving the environmental targets with officer remuneration when formulating the next Medium-term Management Plan.

(ii) Risk Management

Regulatory changes, technological innovation, shift in business models in line with the transition to a decarbonized society or extreme weather, etc. stemming from global warming may affect our business results and financial position in the form of business failure of business partners due to earnings deterioration and other factors, decline in value of assets owned by the Group, and others. The Group recognizes climate change risk as one of the critical risks in company-wide risk management, and while identifying, assessing and managing the risk, will regard this as a business opportunity and contribute to realizing a decarbonized society.

a. Risk Management System Overview

The Group comprehensively manage risks of primary businesses that could have a substantial impact on investors' decisions. The important risks managed include, but are not limited to, credit risks, asset risks, investment risks, market risks, liquidity risks, country risks and operational risks.

To manage envisaged risk factors, the departments overseeing specific risks monitor issues arising from developments in the external environment or other changes, regularly consider measures to address such risks, and then report and deliberate them at meetings of each committee including the Risk Management Committee. In addition, we operate a risk management system in which important matters are reported to and discussed by the Executive Committee and the Board of Directors.

b. Classification and Example of Impacts of Climate Change Risks

Climate change risks consist of transition risks associated with climate-related regulation tightening and technological innovation, etc. and physical risks associated with extreme weather and changes in climates. The TCFD recommendations classify these risks into subcategories of policy and legal/technology/market/reputation, and acute/chronic, and show examples of impacts.

The Group recognizes that impacts of climate change risks occur in various time frames such as short, medium and long term through broad transmission routes including existing risks like credit risks, asset risks and investment risks.

Furthermore, in addition to direct impacts on the Group's business activities, the onset of indirect impacts through the Group's customers is also possible.

Based on such risk characteristics and details of the TCFD recommendations, the Group sorts out examples of impacts of climate change risks for each of its major risks, also taking into account its risk management framework. Under the integrated risk management system, the Group is also advancing the establishment of a system to identify/assess and manage climate change risks in light of relations with other major risks.

Going forward, the Group will review the risk classification and examples of impacts according to changes in external environment, and deepening of analysis and assessment of climate change risks.

c. Status of Integration into Overall Risk Management

Various impacts of climate change risks on other major risks are reported to and discussed by the Risk Management Committee. We will advance integration of such risks, including risks identified through scenario analysis, in overall risk management by establishing a monitoring system and other means. In addition, development of targets and plans related to climate change and details of monitoring are reported to and discussed by the Sustainability Committee. Details of discussions of both committees are reflected in the Group's management strategies under the system of monitoring by the Board of Directors so that we can appropriately address the risks from both perspectives of overall risk management and individual risks.

(iii) Strategy

The Company identifies risks and opportunities brought by future climate change to the Group's businesses, and conducts scenario analysis on "transition risks" and "physical risks" for the purpose of appropriately disclosing information and considering future measures.

The scenario analysis is carried out based on limited information and data available at present. We will strive for appropriate disclosure by carefully examining the results of this analysis, continuing to obtain more information and relevant data through dialogues with stakeholders, and promoting refinement of analysis methods and expansion of businesses to be analyzed.

a. Overview of the Scenario Analysis

Overview of Transition Risk Analysis

	Target Sector (Industry)	Main Segment
Target Sector and main Segment	Energy (Oil and Gas, Coal and Electric Utilities)	Environment & Energy
	Transportation (Air Freight and Passenger Air Transportation)	Aviation
	Materials and Buildings (Real Estate Management and Development)	Real Estate
	Of the Group's segments, "Customer Solutions" is based in Japan and engages in business activities ranging across segments subject to this analysis, from finance solution business for companies and government agencies, sales finance business provided through collaboration with vendors, and real estate leasing business to financial service business, among others. Therefore, we have included Customer Solutions as one of the segments subject to this analysis. On the other hand, we have excluded "Global Customer" from this analysis because business bases of our overseas Group companies in Europe, the Americas, etc. spread over multiple locations, which means a heavy analysis burden.	
Scenario	Net Zero Emissions by 2050 Scenario (NZE scenario) and Stated Policies Scenario (STEPS scenario) published by the International Energy Agency (IEA)	
Analysis Method	Identify opportunities and risks for a decarbonized society in target sectors and assess business impacts (qualitative analysis)	

Overview of physical Risk Analysis

Analysis Subject	Assets for business possessed by the Environment & Energy Business Division, the Real Estate Business Division, and the Group's offices and branches
Scenario	Shared Socioeconomic Pathways (SSP5-8.5) published by the Intergovernmental Panel on Climate Change (IPCC)
Analysis Method	Assess business impacts of extreme weather and changes in climates that can occur at the locations of assets for business (qualitative analysis)

b. Results of the Scenario Analysis

Each headquarters in charge of Environment & Energy, Aviation, Real Estate, and Customer Solutions, which are segments subject to the scenario analysis, and the Risk Management Department, a department in charge of company-wide overall risk management, discussed the Group's business impacts of climate change and confirmed consistency between results of the scenario analysis and the existing strategic policy.

The Group endeavors to minimize risks and maximize opportunities by taking short- and long-term measures as for risks and opportunities related to climate change. As results of the transition risk analysis, the need to appropriately handle risks and opportunities associated to expansion of renewable energy (Environment & Energy), shift to low mileage aircraft/engines, etc. and low-carbon fuels such as SAF and hydrogen (Aviation), growing demand for low-carbon buildings (Real Estate), etc. have been recognized. Furthermore, as results of the physical risk analysis, risks including damage caused by disasters to power stations and deterioration of power generating facilities such as solar panels (Environment & Energy), loss in value of real estate due to intensification of natural disasters and increases in construction/operation expenses and renovation costs (Real Estate), damage caused by disasters to the Group's offices, and increases in operating expenses and insurance costs have been anticipated.

While appropriate countermeasures for climate change risks have been developed, acquisition of business opportunities has been incorporated in strategies as for opportunities brought by climate change. We have set climate change metrics and established a system to regularly monitor relevant trends in Japan and abroad, and the status of initiatives of the Group.

(iv) Metrics and Targets

Based on the recognition that efforts to realize a decarbonized society are an urgent issue, we have defined the Group's ideal state after considering the government's policy targets and Our 10-year Vision. Then, we have calculated backward from the Group's ideal state to set our environmental targets. We take this opportunity to recognize "Promote a Decarbonized Society" as a key and will actively strive for it. In the case where greenhouse gas emissions increase significantly in the future due to efforts for new businesses, or where numerical value changes while calculation of greenhouse gas emissions of the entire Group including supply chains are sophisticated, and other cases, the established targets may be reviewed appropriately, but we plan to set the targets so that any targets are in line with the level of the government's policy targets, etc., just like the targets established at present.

a. The Group's Environmental Targets

Metrics	FY2030 Targets	Results for FY2023*2
The Group's Greenhouse Gas Emissions (Scopes 1 and 2)*1	5,081tCO_2e (-55% compared to fiscal 2019)	6,574tCO_2e (-42% compared to fiscal 2019)

*1 For the Group's targets for greenhouse gas emissions (Scope 3), please refer to the website below:
("Transition Plan toward the Realization of a Carbon-neutral Society" of the Company's website)
https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/environment/transition_plan/transition_plan2025060602.pdf

*2 Results for FY2024 are being aggregated.

b. Future Efforts

To further enhance the effectiveness of "Promote a Decarbonized Society," in addition to initiatives implemented and progress made since the setting of Scope 1 + 2 targets, we have put in place a process aimed at achieving interim targets for Scope 3, and formulated our "Transition Plan toward the Realization of a Carbon-neutral Society." By implementing and refining this initiative, we seek to achieve a carbon-neutral society by 2050, which includes the supply chain.

(5) Initiatives on Human Rights

(i) Basic Views regarding Human Rights

The Group upholds Respect for Human Rights and the Environment in the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct. In the Code of Conduct, we declared: "Consistent with the fundamental spirit of respect for humanity, no employee engages in any discriminatory action or human rights violation on grounds of gender, sexual orientation, age, nationality, race, ethnicity, political opinion, beliefs, religion, social status, lineage, illness, or disability."

We also respect and uphold the concept based on the global standard for human rights, labor, the environment, and anti-corruption, in accordance with Universal Declaration of Human Rights; International Bill of Human Rights (International Covenant on Economic Social and Cultural Rights; and International Covenant on Civil and Political Rights); The Ten Principles of the UN Global Compact; OECD Guidelines for Multinational Enterprises on Responsible Business Conduct; Guiding Principles on Business and Human Rights (The Ruggie Framework); ILO Declaration on Fundamental Principles and Rights at Work; and Child Rights and Business. In line with the fundamental concept based on these codes, we respect the human rights of our stakeholders.

For the Group's Human Rights Policy, please refer to the website below:

("Human Rights Policy" of the Company's website)

https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/various_policies/human_rights_policy.pdf

(ii) Initiatives on Human Rights Due Diligence

The Group began conducting human rights due diligence in FY2023. This was the result of a Company-wide, cross-segment Human Rights Project launched in FY2022, which took approximately one year of discussions and system design. We expanded the scope of our efforts by adding types of transactions in FY2024. Continuously reflecting opinions from the front lines of sales operations and other divisions, we are improving and strengthening our efforts while exchanging opinions with external experts.

(iii) Our Response to Inquiries and Whistleblowing concerning Human Rights (the Complaint Handling Mechanism)

The Group receives inquiries concerning employees' human rights through the Compliance Hotline System, an internal whistleblowing system, and the hotline for the harassment including sexual and maternity matters as well as sexual orientation and gender identity ("SOGI").

In terms of advice from outside the Company, we have established human rights hotlines that make use of the Engagement and Remedy Platform operated by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which is available in multiple languages, and which provides advice and accepts inquiries, etc. in relation to human rights for all stakeholders. Care is taken to protect making reports to hotlines, and it is made clear that anonymous reports are also accepted.

(6) Initiatives on Investments in Human Capital

(i) Direction of Strategies

The Group recognizes that accumulating and utilizing human capital is an important issue to improve corporate value through realization of the "basic management policy" and "medium- to long-term management direction." In particular, to realize "SX," "DX" and "business portfolio transformation" shown in the "medium- to long-term management direction" and achieve performance indicators at which the Group aims, it will accumulate and leverage necessary human capital in terms of both quality and quantity.

(ii) Medium- to Long-term Themes We Aim to Achieve, and Details of Our Initiatives

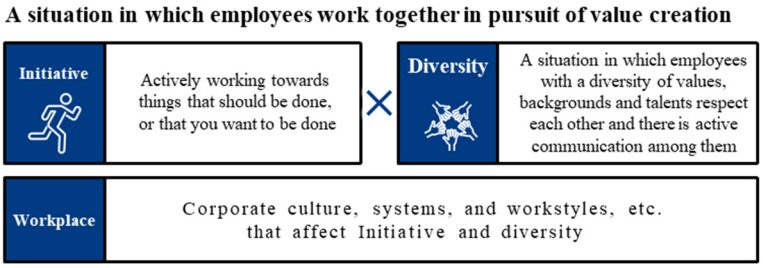
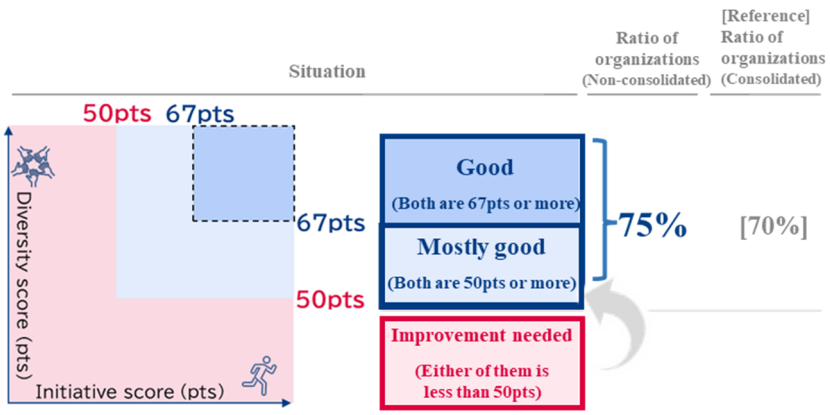
We set two themes to accomplish in a medium to long term to accumulate and leverage human capital, which are: Fulfillment of a talent portfolio; and Maintaining and improving MHC engagement*. For accomplishment of them, our two priorities are the reconstruction of the human resource management based, and the creation of a system for maintaining and improving MHC engagement.

* We have defined a situation in which employees work together in pursuit of value creation as the situation in which MHC engagement is highly met. (MHC: Mitsubishi HC Capital Inc.)

a. Fulfillment of a talent portfolio

Initiatives Policy	Secure and develop and human resources contributing to the Group's realization of strategies (quality and quantity) ・ We define quality and quantity of human resources necessary to realize the "medium- to long-term management direction" and visualize a talent portfolio. ・ We understand a gap between necessary human resources and current human resources in terms of quality and quantity, and implement measures for filling the gap.
Metrics and Targets	(To be announced around the date of disclosure of the financial results for the fiscal year ending March 31, 2026.)
Details and Results of Initiatives for FY2024	Reconstruction of the Human Resource Management Base ・ The medium- to long-term management direction: Define positions necessary for realization of the direction. ・ Specify and visualize the human resources requirement for each of the defined positions. ・ Understand and visualize the human resources information (experience, skills and competency) by carrying out an assessment.

b. Maintaining and improving MHC engagement

Initiatives Policy	Maintaining and improving the three elements constituting MHC engagement Definition of MHC Engagement The Group defines a situation in which employees work together in pursuit of value creation as the situation in which MHC engagement is highly met. MHC engagement consists of three elements: Initiative, which shows the level of activity; Diversity; and Workplace, which influences the aforementioned two elements. 
Metrics and Targets	Both Initiative and Diversity achieved scores of at least 67 points for "Good" (a positive response from two out of three of respondents), with both also exceeding 50 points for "Mostly good" (a positive response from the majority of respondents). The organization was ranked highly as being one that is "Good" or "Mostly good," and in which employees work together in pursuit of value creation. In order to maintain and improve MHC engagement, initiatives are being pursued to sustain a high percentage of organizations with scores of "Good" or "Mostly good."
Details and Results of Initiatives for FY2024	Details of Initiatives Creation of a System for maintaining and improving MHC Engagement ・ Enhance the analysis of the engagement survey by reviewing questions ・ Show the survey results using indices Result 75% of respondents ranked the organization as "Good" or "Mostly good" (non-consolidated) 

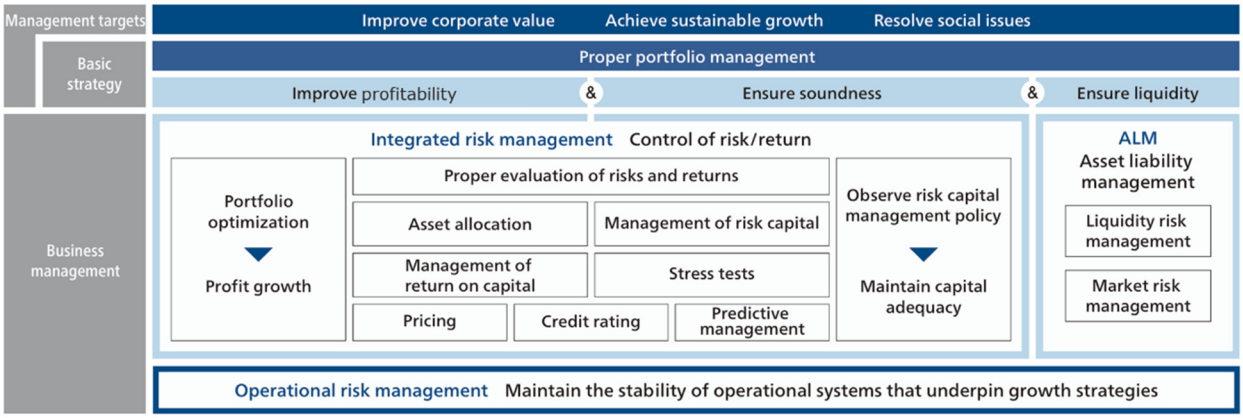
3. Business and Related Risks

The Group's business operates globally. The Group provides capital investments and services necessary for customer businesses through leases and other means. The assets it holds for leases and related transactions are diversified, ranging from general movable property including office equipment and production equipment to those, including aircraft, for specific industries. Demand for capital investment can decline considerably if a customer's business environment deteriorates with deceleration or slowdown in economy at home country or abroad. In that case, a decline in leases and other transactions could impact the Group's business results and financial position. Additionally, losses arising from inadequacy of internal processes, personnel, or systems or their failure to function, or external events could impact the Group's business results and financial position.

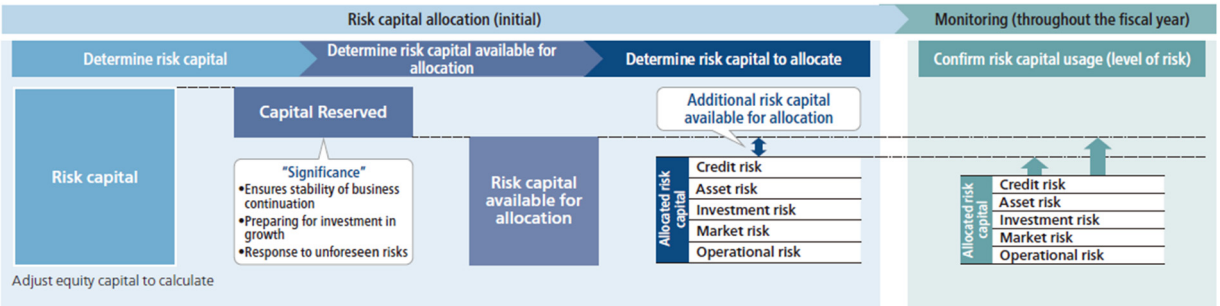
Of the business and related risks of the Group, the main items with potential for important impact on investors' decisions are managed under a companywide risk management system. The Group strives to prevent these risks from emerging and to minimize their impact if they occur. The Company conducts risk capital management based on the framework of integrated risk management to work toward sustainable growth by balancing maintenance of management soundness with improving profitability.

This section includes forward-looking statements. These are based on judgments made by the Group as of March 31, 2025.

Overview of risk management framework of the Group



Managing risk capital to ensure soundness



(1) Major Risks Recognized by the Group

The Group recognizes the following risks as major risks that could affect the business results, financial position or other aspects of the Group. In addition, the Group closely monitors current affairs that are increasing uncertainties in the business environment, such as geopolitical risks related to the Russia-Ukraine situation, U.S.-China tensions, and Middle East affairs, as well as the impact of U.S. tariff policies on global economy.

(i) Credit Risk

The Group conducts business that extends credit over the medium to long term through leases, installment sales, monetary loans, and other financial services of various forms. Depending on future business trends and the financial landscape, additional provisions of allowance for doubtful receivables could be necessary with increasing non-performing loans due to deterioration in a company's credit status, which could impact the Group's business results and financial position.

[Main Efforts to Address Risk]

When considering each deal, the Group carefully reviews the customers' credit standing using its own rating system and makes a thorough study in light of the value of the leased property, country risk, and other factors in an effort to ensure a reasonable

return for the risk. Additionally, the Group continues monitoring the customers' credit standing on an ongoing basis after entering into transactions and has a system in place to take the necessary steps in the event that the customers' credit standing worsens. Moreover, its credit management with respect to the portfolio as a whole takes into account risk diversification to ensure that credit is not concentrated in certain customers, industries, countries and regions, while striving to ensure sound management by regularly measuring the credit risk of its portfolio and monitoring to ensure that it is within a certain range of capital.

(ii) Asset Risk

In addition to general movable property, the Group holds such global assets including aircraft and real estate, and conducts business leasing of these assets in and outside Japan in the form of operating leases and others. In this business, the Group is exposed to asset risk in addition to the aforementioned credit risk, so fluctuation in revenue from asset management and disposals could impact the profitability of the leases. For this reason, when engaging in operating leases, the Group carefully assesses the future value according to asset type in addition to the customer's credit standing prior to working on each deal. Even after entering into transactions, the Group continues monitoring the status of the leasing and secondary markets for the assets along with the status of asset use by the lessee, striving to prevent risks from emerging or to mitigate their impact if they occur.

a. Global Assets

The Group holds global assets such as aircraft and aircraft engines, containers, and railcars and conducts business leasing of these assets in and outside Japan in the form of operating leases and others. In the business related to global assets, the Group is exposed to price fluctuation risk pertaining to the assets in addition to the aforementioned credit risk. With operating leases, in addition to lease fee revenue received from the customer, the Group recovers funds by selling the asset at the end of the lease period. Additionally, in the event of a customer default, the Group takes the asset back and collects funds by leasing it to another customer or selling it. As for selling assets, in addition to business trends and the financial landscape, major incidents arising from technical problems, obsolescence due to technological change, revisions to laws and regulations, increased concern over global pandemics or terrorism, natural disasters, war, or geopolitical risk may render the asset irrecoverable or cause its selling price to fluctuate. Furthermore, the recording of impairment loss or increased costs associated with property management could also impact the Group's business results and financial position.

[Main Efforts to Address Risk]

When engaging in operating leases of global assets, the Group conducts a comprehensive review that includes a checklist for deals involving movable property and future asset liquidity prior to working on each deal to ensure a reasonable return for the credit risk and asset value fluctuation risk. Furthermore, the Group has established internal criteria to maintain a diversified portfolio, including asset types, geographic regions, and maturity dates. Moreover, the Group continues monitoring the customers' credit standing and industry trends on an ongoing basis after entering into transactions and has a system in place to take the necessary steps in the event that the customers' credit standing worsens, such as collecting a deposit from the customers to cover asset wear and tear as necessary. Additionally, the Risk Management Division conducts predictive management monitoring for each major asset category through time series observation of industry trends and indicators that could impact asset value fluctuations, while also maintaining ongoing risk communication with the business divisions. The Group also regularly measures customer credit risk and asset value fluctuation risk of its portfolio to monitor whether it is within a certain range of capital, in an effort to ensure sound management.

b. Real Estate

The Group makes investment in and provides financing of commercial real estate such as offices, residences, commercial facilities, logistics facilities, and hotels in and outside Japan, and in leasing and other business operations based on its owned properties. These assets are subject to revenue fluctuation risk and price fluctuation risk. In the real estate-related business, in addition to rent revenue from tenants, the Group recovers funds by selling those assets that are not long-term holding policy. Rent revenue and revenue from sale of assets may fluctuate depending on the market environment, such as business trends, the financial landscape, and the rent market in the specific location of the asset, and this could impact the Group's business results and financial position.

[Main Efforts to Address Risk]

The Group makes a careful decision based on a comprehensive review of future asset value and liquidity prior to working on each deal to ensure a reasonable return for the asset value fluctuation risk. Furthermore, the Group continues monitoring the status of asset management, price trends, and industry trends on an ongoing basis after entering into transactions and has a system in place to maximize revenue. Additionally, the Risk Management Division conducts predictive management monitoring through time series observation of industry trends and signs that could impact asset value fluctuations, while also

maintaining ongoing risk communication with the business divisions. The Group also regularly measures the asset value fluctuation risk of its portfolio to monitor whether it is within a certain range of capital, in an effort to ensure sound management.

(iii) Investment Risk

The Group makes investment in projects including solar power, wind power, and other renewable energy businesses in Japan and overseas as well as various businesses and funds. These investing activities are subject to such risks as risk of changes in the business environment including declining demand, risk of revenue falling below the plan and diminished recoverability of the investment amount due to sluggish performance of investees or partners, risk of investees' stock value falling below a certain level, and risk of investees' stock value staying below a certain level for a considerable period of time due to unexpected changes in the economic or financial situation or a major disruption of the financial markets regardless of the investee's performance. These risks could result in a total or partial loss of the investment, including through valuation loss, or create the necessity of additional funding. In addition, there is the risk that the Group may be unable to exit or restructure the business at the desired time or using the desired method due to differences with the partner's management policy or low liquidity of the investment asset and the risk that the Group's position may be adversely affected by not being able to obtain relevant information from the investee, and these risks could impact the Group's business results and financial position.

[Main Efforts to Address Risk]

The Group holds investment meetings according to the individual investment amounts and severity of risk to gather the opinions of the relevant departments and makes a careful decision based on a comprehensive review of future investment value and liquidity from a broad point of view when considering each investment, thereby to ensure a reasonable return for the risk. Additionally, the Group continues monitoring the status of investment management and industry trends on an ongoing basis after entering into transactions and has a system in place to maximize revenue. The Group also regularly measures the risk of fluctuations in the value of investments in its portfolio to monitor whether it is within a certain range of capital, in an effort to ensure sound management.

(iv) Market Risk

a. Interest Rate Fluctuation Risk

The fees for leases and installment sales conducted by the Group are set based on the purchase price for the transacted property and the market interest rates at the time of contract. Most of these basically do not fluctuate during the contract term. The cost of funds for acquiring the leased property, on the other hand, is affected by fluctuations in the market interest rate as the funds are procured at both fixed and variable interest rates for fundraising diversification and reduction of funding costs. As such, a sharp rise in the market interest rate resulting from sudden changes in the financial situation could impact the Group's business results and financial position.

b. Exchange Rate Fluctuation Risk

The Group actively conducts business outside Japan, and as foreign currency-denominated assets increase, so does their percentage of consolidated operating assets. The financial statements of the Group's consolidated subsidiaries outside Japan are expressed in the local currency while the Company's consolidated financial statements are expressed in Japanese yen. As such, although fundraising is, in principle, conducted in the same currency as the asset, should a large fluctuation occur in exchange rates, it could impact the Group's business results and financial position in Japanese yen terms.

[Main Efforts to Address Risk]

The Group constantly watches movements in the financial markets and, as needed, monitors through asset liability management (ALM) any imbalances in the form of interest rates or currency exchange for asset management and for procurement of funds. It then manages interest rate fluctuation risk through appropriate hedge operations while taking interest rate movements into account. To address exchange rate fluctuation risk, in principle, the Group raises funds in the same currency as the operating asset in an effort to minimize loss on currency valuation of assets. The Group also regularly measures the quantitative risk of the position of portfolio holdings incurring a loss over a certain period of time at a certain probability and to what extent in the event that interest or currency exchange rates take a disadvantageous turn based on past statistics, and monitors whether it is within a certain scope of capital in an effort to ensure sound management. Meanwhile, the ALM Committee meets quarterly or as required to analyze scenarios and data in connection with geopolitical risk, pandemics, and various other risk factors and to determine ALM policy based on trends in the financial market environment, the risk situation, and other considerations.

(v) Liquidity Risk

When engaging in acquisition of lease properties for leases, installment sales, and monetary lending, the Group raises a large amount of funds in Japanese yen and other currencies. The Group attempts to balance the period of leases and other credit transactions and investments with the period of fundraising, but should it experience difficulty securing enough funds because of heightened risk aversion on the part of financial institutions and investors due to a free fall in economic and financial conditions and major confusion in the financial markets or a decline in the Group's creditworthiness, it could impact the Group's business results and financial position.

[Main Efforts to Address Risk]

With respect to the procurement of funds, the Group tries to ensure the liquidity of funds through efforts to diversify by procuring funds directly from the market including corporate bonds, commercial paper, and securitization of lease receivables in addition to borrowing from financial institutions as well as through procurement with long- and short-term balance, careful management of cash flow, and measures to supplement liquidity during emergencies, such as through the acquisition of commitment lines.

Additionally, the Group conducts stage-by-stage management of liquidity, putting in place funding arrangements to ensure that the immediately necessary funds can be secured, including funds for repayment, even if the fundraising environment deteriorates, and reporting on the status of funding to the ALM Committee.

In addition to conducting interest rate sensitivity analysis (analyzing the impact of interest rate fluctuations on revenue), the ALM Committee carries out comprehensive investigations of (4) Market Risk and (5) Liquidity Risk in the event of stress in the financial markets or other relevant areas, including the potential impact on profit and loss. It then determines a fund procurement strategy and risk response policies to implement a Companywide strategy aligned with the market environment. Regarding risk management in particular, it coordinates with the Risk Management Committee, which is one arm of the Companywide integrated risk management system. By strengthening the warning sign management system and coordinating with contingency planning, it makes efforts to improve the flexibility and resilience of financial structures in the event of a crisis situation emerging.

Additionally, to support the recent globalization of its operations and enhance its foreign currency funding capacity, the Group has established a regional financial base in North America, where it holds a large asset balance, and has put in place a Group financing system that includes the consolidation of financing. The regional financial base offers not only indirect financing but also various forms of fund procurement, including issuance of commercial paper and corporate bonds, thus providing funds to Group companies expanding into North America.

(vi) Country Risk

The Group's business operates globally, and it is subject to risk in which losses may arise depending on political and economic situations in the countries and regions where the customers and investees are located. In addition to changes in economic conditions such as rapid declines in currency or stock prices or sovereign defaults in a given country, various factors such as conflict, civil unrest, or political instability could result in additional provisions for credit losses or the recognition of impairment losses related to credit transactions or investments in that country or entities. These could impact the Group's business results and financial position.

[Main Efforts to Address Risk]

The Group sets upper limits on transaction volumes based on each country's economic strength and creditworthiness. Additionally, the Group monitors whether the balances of credit transactions and investments involving country risk remain within the prescribed limits. In this way, the Group works to diversify its reliance on specific countries and regions to reduce the impact of losses in the event that country risk materializes.

(vii) Operational Risk

a. Risk Related to Earthquakes, Wind and Flood Damage, Pandemics, War, Terrorism, etc.

The Group uses facilities, including sites and systems, in and outside Japan to conduct its operations. Earthquakes, wind and flood damage, or other natural disasters as well as pandemics, war, terrorism, or other unpredictable circumstances could cause a reduction of activities or prevent operations at those sites by damaging the sites themselves or the systems or by injuring employees or preventing them from coming to work, thereby disrupting business operations. Moreover, depending on the extent of the damages or how long the event lasts, a large sum of money could be required to restore the systems or other facilities, or it may take a long time for business operations to recover. Such a situation could impact the Group's business results and financial position.

[Main Efforts to Address Risk]

The Group has established responsible departments depending on the envisioned risk to prepare for such circumstances and has a system in place to establish a crisis response headquarters to respond to a critical situation. The Group is also working to establish a system for business continuity by putting together a business continuity plan, implementing redundancy measures for backbone systems, establishing a system infrastructure that allows work from home, and implementing office shifts limited to operations that must continue.

b. System Risk

The Group utilizes email as well as a variety of information systems to conduct account processing, management of various contracts, customer management, asset management of leased properties, and other operations. An outage or failure of these information systems arising from poor maintenance, poor development, or other such problems could cause an interruption of contract and collection operations or services provided to customers, which in turn could cause a suspension of operating activities and economic loss, thereby impacting the Group's business results and financial position.

[Main Efforts to Address Risk]

The Group has a system in place to properly manage and maintain these systems through internal cooperation and partnership with other companies to ensure their stable operation. The Group is equipped with an integrated response system for failures that includes swift action and sharing of information internally and externally where the failure occurs as well as establishment and implementation of measures to prevent subsequent recurrence. Additionally, Group-wide IT control is implemented for system development at the Group companies in Japan and other countries by using standardized methods as part of a proprietary process.

c. Cybersecurity Risk and Information Security Risk

The Group utilizes email as well as a variety of information systems to conduct account processing, management of various contracts, customer management, asset management of leased properties, and other operations. These information systems are subject to risk of business email scams, malware infections, unauthorized access by outside parties, and other cyberattacks. Unauthorized access by outside parties, malware infections, human error, fraud, scams, and other problems could result in system outages or failures, monetary damages, leaks or unauthorized use of confidential information or customer information, or other incidents. These could cause an interruption of contract and collection operations or services provided to customers, which in turn could cause a suspension of operating activities, economic loss, or loss of social confidence from leakage of important information, thereby impacting the Group's business results and financial position.

[Main Efforts to Address Risk]

The Group has established a cross-organizational Security Incident Response Team (MHC-SIRT*) to address these risks and has a system in place to prevent incidents at the entrance, internal, and exit stages and respond to them if they occur. Specifically, in preparation for cyberattacks that exploit vulnerabilities, the Group keeps software up to date to detect unauthorized access, malware, and other cyberattacks and maintains management preparedness to prevent problems. At the same time, the Group has established an internal and external coordination system and conducts drills to prepare for incidents. Moreover, targeted email training is provided for all employees, and internal education on information security is carried out on an ongoing basis.

* MHC-SIRT is a cross-organizational team operating inside the Group that responds to information security incidents, primarily focusing on cyberattacks such as targeted email attacks and unauthorized access against the Group. (MHC: Mitsubishi HC Capital)

d. Legal Risk

The Group's operations are subject to a range of relevant legislation in and outside Japan. As the primary examples in Japan, its operations must comply with the Companies Act, tax laws, the Financial Instruments and Exchange Act, the Antimonopoly Act, anti-bribery laws, the Personal Information Protection Act, the Money Lending Business Act, the Installment Sales Act, the Act on Prevention of Transfer of Criminal Proceeds, and environmental laws and regulations. Outside Japan, the Group's operations are subject to the legislation of each country and region as well as to oversight by regulatory authorities. Should there be a failure of compliance with legislation, social norms, or company rules, it could impact the Group's business results and financial position by causing restriction on or interruption of operations, a claim for damages from customers or others, and a fall in social confidence.

[Main Efforts to Address Risk]

The Group conducts its business activities in accordance with laws, regulations, and internal rules. To ensure legal compliance, it has established the necessary internal regulations and set up the Legal Office that includes qualified legal professionals.

This department provides various forms of legal support, conducts education and training for officers and employees, and works to strengthen the legal risk management system on a consolidated basis.

e. System Change Risk

The Group's operations are subject to a range of relevant legislation, accounting and tax regulations, and other systems in and outside Japan. Should there be substantial changes or revisions to any of the various systems closely related to the Group's operations that the Group was unable to properly address, there could be penalties for nonconformance, suspension of product offering, restrictions on business activities, sales losses, or other negative consequences that could impact the Group's business results and financial position.

[Main Efforts to Address Risk]

The Group's corporate centers, business divisions, sales bases in Japan, and sites in each country continuously monitor revisions and changes to the various systems in and outside Japan, such as legal, accounting, and tax systems, applying to the relevant country and services. In addition, the Group gathers information on and implements measures to address changes and revisions as quickly as possible while reinforcing such monitoring by actively utilizing outside experts.

f. Administrative Risk

The Group conducts transactions in various forms, and various administrative work arises with each transaction. Improper administrative work, including human error, fraud, and other irregularities, could cause an interruption of contract and collection operations or services provided to customers, which in turn could cause a suspension of operating activities or loss of customer trust, thereby impacting the Group's business results and financial position.

[Main Efforts to Address Risk]

The Group has established administrative rules for each transaction and conducts business according to these rules while reviewing them as needed. Additionally, an internal reporting system is in place for internal administrative incidents. Should such an incident occur, the system includes internal reporting, swiftly addressing the incident, identifying the cause, and establishing/implementing measures to prevent recurrence.

(2) Other Major Risks

The Group also recognizes the major risks listed below. These risks are managed within the integrated risk management framework, including individual impact and combined impacts across multiple risk items, according to their individual characteristics and status. The Group explores a unified response and formulates a response policy as necessary and additionally conducts scenario analysis appropriate to the situation as part of a multifaceted verification of risk resilience.

(i) Compliance Risk

The Group ensures that all officers and employees act with high ethical standards, complying not only with laws and regulations but also with social norms. However, in the unlikely event that any actions in violation of these occur, it could impact the Group's credibility, business results, and financial position.

[Main Efforts to Address Risk]

The Company has established the Legal & Compliance Department, which oversees the Group's compliance. Additionally, the Group has formulated and implemented a compliance program to ensure thorough adherence to laws and regulations.

Specifically, to promote awareness and shared understanding of fundamental compliance-related values and ethics, the Group has established the Group Code of Ethics and Conduct as a set of guidelines for its officers and employees. Furthermore, the Group has prepared various policies and internal rules related to compliance to supplement the Code of Ethics and Conduct and conducts ongoing compliance education.

The Group also conducts regular compliance awareness surveys of officers and employees to verify the penetration of the Code of Conduct and the situation within the workplace environment.

In addition, the Group is working to strengthen its compliance system by preparing and operating an internal whistleblowing system that allows officers and employees to report and consult on misconduct (any violation of legislation, internal rules, or the Code of Ethics, including corruption, or any action that could potentially be a violation).

(ii) Risk Related to Conduct

The Group is implementing various measures based on the keyword of "transformation" to achieve Our 10-year Vision of "Together we innovate, challenge and explore the frontiers of the future." During this process, any actions by our officers and employees that compromise customer protection, fair competition, market integrity, public interest, or social norms and cause harm to our stakeholders could impact the Group's credibility, business results, and financial position.

[Main Efforts to Address Risk]

The Group emphasizes integrity as one of the core elements of the Action Principles, which set forth the values and attitude each employee should have along with the actions they should take within the Basic Management Policy. This means maintaining high ethical standards and constantly returning to the basics. The Group ensures that all officers and employees conduct themselves accordingly.

(iii) Risk Related to Personnel Recruitment

The Group must stably secure adequate human resources, to maintain and strengthen its competitiveness in the various businesses it operates in and outside Japan. The Group strives to continuously recruit and train capable personnel, but should it not be able to adequately secure and train the needed personnel this could impact the Group's business results and financial position.

[Main Efforts to Address Risk]

The Group actively promotes recruitment by conducting not only hiring of new graduates but also mid-career hiring. To strengthen its recruitment structure, the Group has introduced various hiring practices, including referral recruitment through employee introductions and rehiring of former employees, to promote the recruitment of diverse personnel. Additionally, to encourage each employee to take initiative and continuously create value, the Group promotes employee development under themes such as "career," "organizational level," "digital transformation (DX)," and "self-development." It supports employee growth through various opportunities, including training programs, assistance with obtaining qualifications, and the introduction of the Career Challenge Program (an internal and external open application system for various positions) that contributes to employees' career development, thereby fostering employee development.

(iv) Risk Related to Labor and Employment Management

The Group employs a large number of staff in its business operations. This involves the risk of long working hours having a negative effect on the mental or physical health of employees or other negative impacts, making them unable to fulfill the expected duties, and the risk of legal infringement due to failure to appropriately monitor legal requirements relating to employment and related areas. Additionally, there is the possibility of these risks resulting in damage to public trust.

[Main Efforts to Address Risk]

The Group promotes operational improvements through the use of DX and introduces systems that enable diverse workstyles, such as flextime without core hours, remote work, and satellite offices. In this way, it works not only to reduce long working hours but also to create a work environment that supports employees with childcare or nursing care responsibilities. Additionally, to address harassment and other personnel issues, the Group has introduced measures for employees in Japan and overseas, including internal whistleblowing systems and advice services. To enable employees to develop their abilities to the fullest, the Group is addressing workplace enhancement as a major focus of initiatives.

(v) Risk Related to Expansion of Operating Base, Strategic Partnerships, and M&As

In pursuit of continued growth through expansion of its operating base, the Group engages, in and outside Japan, in strategic partnerships with outside entities aimed at the enhancement of various services and tries to diversify and expand the Group's business portfolio through M&As in addition to expanding business on its own.

The Group endeavors to diversify its business and enhance its services through this kind of approach. However, changes in the domestic or international economic and financial conditions, intensification of competition, changes in the business environment or strategy of partners, revision of relevant legislation, and other factors could cause a failure to achieve expected results or result in the need to record additional expenses, such as impairment of goodwill recorded at the time of an M&A. Such a situation could impact the Group's business results and financial position.

[Main Efforts to Address Risk]

In addition to review by the relevant departments according to the individual investment amounts and severity of risks, the Group brings in outside experts for a comprehensive review of the fitness of the investment structure and the future investment effect from a broad point of view when considering each M&A or partnership deal. Even after an M&A deal is executed, the Group's rules are applied to establish a system for proper operational management, and monitoring is carried out on the business plan, results management, and other aspects so that the necessary actions can be taken in a timely manner.

(vi) Risk Associated with Expansion of Business Domains

The Group is expanding the scope of its operations on a global basis, including new business domains, within the scope permissible under laws, regulations, and various other conditions. Should the expanded business not develop as envisioned

within the expanded scope of operations, or if risks emerge within that process that exceed the scope of reasonable assumptions, it could impact the Group's business results and financial position.

[Main Efforts to Address Risk]

When entering new business areas, the Group identifies potential risks based on a preliminary risk assessment and considers appropriate countermeasures prior to proceeding. In evaluating risks, the Group conducts multifaceted analysis of information and data while also working to enhance evaluation methods by leveraging experience and knowledge gained through existing businesses. Additionally, the Group continuously monitors the progress of its expanded business domains and the latest risk conditions and has a system in place in which relevant departments coordinate as necessary to implement prompt countermeasures.

(vii) Intensifying Competition

Competition in the leasing and other businesses of the Group conducted in and outside Japan could intensify not only from companies in the same business but also from financial institutions and others, or the competitive landscape could change due to a shift in business models of other industries, technical innovation, or other factors. If competition intensifies further, it could impact the Group's business results and financial position due to a decline in market share or reduced profitability.

[Main Efforts to Address Risk]

The Group is advancing various initiatives to maintain and strengthen its competitiveness, including the provision of higher value-added services to customers, enhanced value creation as an asset holder, low-cost funding, and the accelerated promotion of its digital strategy. Through these initiatives, the Group aims to mitigate risks associated with intensifying competition and achieve sustainable growth.

(viii) Climate Change Risk

Regulatory changes, technological innovation, shift in business models in line with the transition to a decarbonized society or extreme weather, etc. stemming from global warming may affect our operating results and financial position in the form of business failure of business partners due to earnings deterioration and other factors, decline in value of assets owned by the Group, and others. Moreover, if the Group's response to climate change risk or its information disclosure are, or are assumed to be inadequate, the Group's corporate value may be adversely affected.

[Main Efforts to Address Risk]

The Group recognizes promoting decarbonized society as a priority task in achieving sustainable growth that forms a part of its materiality (important issues). Accordingly, the Group has expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and is actively working to enhance identifying and assessing climate-related risk and the related information disclosure in line with the TCFD framework. Additionally, the Group recognizes climate change as a significant risk in the Companywide risk management and is taking relevant initiatives in understanding and management of climate change risks.

(ix) Human Rights Violation Risk

With corporate responsibility extending throughout the supply chain and the emphasis on sustainability initiatives, the prevailing view is that companies should recognize stakeholders as broadly encompassing ordinary individuals and local residents. Under these circumstances, if the Group were to neglect these stakeholders, and human rights violations were to occur within the Group or be committed by customers of the Group, it could be perceived as the Group itself causing, encouraging, or directly participating in those human rights violations. In turn, this could lead to damage to the Group's corporate value.

[Main Efforts to Address Risk]

The Group established the Human Rights Policy in September 2022, declaring that we "recognize that conducting business with the utmost respect of human rights is a major challenge, and we will fulfill our responsibilities in this matter across all our business activities." As part of the internal project to address human rights violation risk launched in October 2022, the Group began implementing human rights due diligence in November 2023 and established an external human rights reporting hotline in January 2025 to receive inquiries related to human rights. The Group will continue promoting initiatives to eliminate human rights violations.

4. Management's Analyses of Consolidated Financial Position, Business Results and Cash Flows

(1) Overview of Business Results, etc.

The financial position, business results and cash flows of the Group (the Company, consolidated subsidiaries and affiliated companies accounted for by the equity method) (hereinafter referred to as "business results, etc.") for the fiscal year under review are as follows. The total of segment profit presented is consistent with net income attributable to owners of the parent in the consolidated statements of income.

(Consolidated Business Results) (Billions of yen)

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025	Changes	Changes (%)
Revenues	1,950.5	2,090.8	+140.2	+7.2
Gross Profit	380.0	462.6	+82.5	+21.7
Operating Income	146.1	187.1	+40.9	+28.0
Recurring Income	151.6	193.5	+41.9	+27.7
Net Income Attributable to Owners of the Parent	123.8	135.1	+11.3	+9.1
New Transaction Volume	3,051.9	3,311.7	+259.7	+8.5

(Consolidated Financial Position) (Billions of yen)

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025	Changes	Changes (%)
Total Equity	1,705.3	1,804.5	+99.1	+5.8
Total Assets	11,149.8	11,762.3	+612.4	+5.5
Interest-Bearing Debt	8,439.7	8,840.7	+401.0	+4.8
Equity Ratio (%)	15.1	15.2	+0.1pt	–

(i) Financial Position and Business Results

For business results, etc. for the fiscal year under review, on the sales front, the new transaction volume increased by ¥259.7 billion or 8.5% year on year to ¥3,311.7 billion.

Revenues increased by ¥140.2 billion or 7.2% to ¥2,090.8 billion.

Meanwhile, gross profit rose by ¥82.5 billion or 21.7% to ¥462.6 billion, operating income by ¥40.9 billion or 28.0% to ¥187.1 billion, recurring income by ¥41.9 billion or 27.7% to ¥193.5 billion, and net income attributable to owners of the parent by ¥11.3 billion or 9.1% to ¥135.1 billion.

As of March 31, 2025, total assets increased by ¥612.4 billion or 5.5% from the previous fiscal year-end to ¥11,762.3 billion, while total equity rose by ¥99.1 billion or 5.8% to ¥1,804.5 billion, and interest-bearing debt (excluding lease obligations) increased by ¥401.0 billion or 4.8% to ¥8,840.7 billion. The equity ratio increased by 0.1 points to 15.2%.

(ii) Cash Flows

Cash and cash equivalents as of March 31, 2025 totaled ¥290.8 billion, a decrease of ¥44.5 billion or 13.3% from the previous fiscal year-end.

The ¥44.5 billion decrease came from ¥296.8 billion used in operating activities and ¥96.9 billion used in investing activities despite ¥353.6 billion provided by financing activities.

Operating activities used net cash of ¥296.8 billion, compared to net outflows of ¥49.1 billion in the previous fiscal year. Inflows included income before income taxes of ¥195.6 billion, adjustments of ¥600.5 billion for depreciation, loss on disposals and cost of sales of leased assets, and ¥28.0 billion for depreciation and cost of sales of other operating assets. These inflows were primarily offset by outflows of ¥1,020.0 billion for purchases of leased assets and other operating assets due to the accumulation of new transactions, as well as a ¥115.3 billion increase in loans receivable.

Investing activities used net cash of ¥96.9 billion, compared to net inflows of ¥143.3 billion in the previous fiscal year. Outflows included ¥126.2 billion for purchases of investment securities, while inflows included ¥32.0 billion in proceeds from sales and redemption of investment securities and ¥10.4 billion from sales of consolidated subsidiaries due to changes in the scope of consolidation.

Financing activities provided net cash of ¥353.6 billion, compared to net outflows of ¥222.9 billion in the previous fiscal year. This included net inflows of ¥390.3 billion from direct funding, net inflows of ¥29.8 billion from bank loans and other forms of indirect funding, and ¥56.0 billion in cash dividends paid.

(iii) Operating Transactions

a. New Transaction Volume

The actual volume of new transactions for each segment in the fiscal year is as follows.

Previous Fiscal Year

(Billions of yen)

	Reportable Segments							Adjustments	Total
	Customer Solutions	Global Business	Environment & Energy	Aviation	Logistics	Real Estate	Mobility		
New Transaction Volume	984.8	1,389.6	22.8	456.3	38.3	152.0	14.3	(6.4)	3,051.9

Fiscal Year under Review

(Billions of yen)

	Reportable Segments							Adjustments	Total
	Customer Solutions	Global Business	Environment & Energy	Aviation	Logistics	Real Estate	Mobility		
New Transaction Volume	919.9	1,379.8	29.9	547.5	221.2	201.6	11.6	–	3,311.7

b. Operating Results

Operating results for each segment in the fiscal year are as follows.

Previous Fiscal Year

(Billions of yen)

	Reportable Segments							Adjustments	Amount recorded in Consolidated Statement of Income
	Customer Solutions	Global Business	Environment & Energy	Aviation	Logistics	Real Estate	Mobility		
Gross Profit	115.9	135.3	10.4	49.1	35.5	23.8	1.2	8.4	380.0
Segment Profit	38.1	16.6	7.3	27.3	17.8	11.9	2.7	1.8	123.8

Fiscal Year under Review

(Billions of yen)

	Reportable Segments							Adjustments	Amount recorded in Consolidated Statement of Income
	Customer Solutions	Global Business	Environment & Energy	Aviation	Logistics	Real Estate	Mobility		
Gross Profit	112.0	139.5	7.9	85.1	42.4	5.61	1.3	18.1	462.6
Segment Profit	36.8	2.6	4.7	47.2	23.2	12.2	3.1	5.1	135.1

c. Segment Asset Balance

Segment asset balance at the end of the fiscal year is as follows.

Previous Fiscal Year

(Billions of yen)

	Reportable Segments							Adjustments	Amount recorded on the Consolidated Balance Sheet
	Customer Solutions	Global Business	Environment & Energy	Aviation	Logistics	Real Estate	Mobility		
Segment Assets	2,966.5	3,070.8	416.6	2,020.0	1,099.0	525.4	51.9	999.4	11,149.8

(Note) Segment assets include operating assets, investments in the affiliates accounted for by the equity method, goodwill and investment securities. Adjustments include segment assets not attributable to any reportable segments, and the difference between the total amount of segment assets and the total assets on the consolidated balance sheet, which consists of cash and cash equivalents and own-used assets, etc.

Fiscal Year under Review

(Billions of yen)

	Reportable Segments							Adjustments	Amount recorded on the Consolidated Balance Sheet
	Customer Solutions	Global Business	Environment & Energy	Aviation	Logistics	Real Estate	Mobility		
Segment Assets	3,004.5	3,074.9	486.3	2,448.1	1,289.3	570.5	58.8	829.5	11,762.3

(Note) Segment assets include operating assets, investments in the affiliates accounted for by the equity method, goodwill and investment securities. Adjustments include segment assets not attributable to any reportable segments, and the difference between the total amount of segment assets and the total assets on the consolidated balance sheet, which consists of cash and cash equivalents and own-used assets, etc.

(2) Views and Issues Analyzed/Discussed with Regard to the Business Results, etc. from the Management's Perspective

(i) Consolidated Business Results

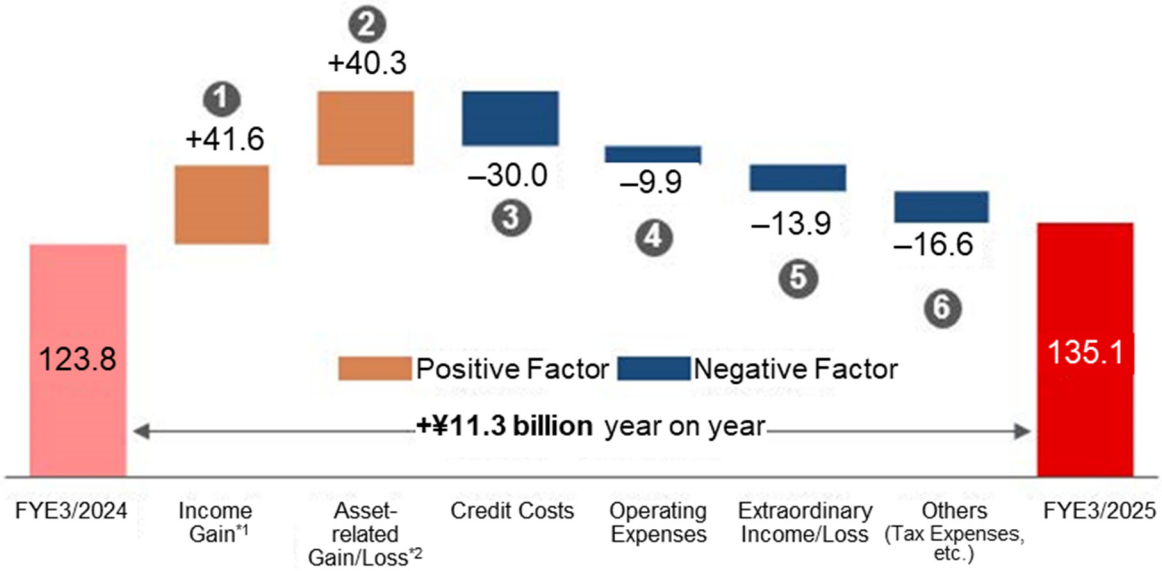
Although credit costs rose in the Global Business and Environment & Energy segments during the fiscal year, earnings benefited from the profit increase resulting from fiscal period adjustment associated with the change in the fiscal year-end of our consolidated subsidiary JSA International Holdings, L.P. and its subsidiaries*. Additional contributions came from strong performance by the Aviation and Logistics segments and gain on sale of investment securities related to the sale of an overseas infrastructure project in the Environment & Energy segment. As a result, net income attributable to owners of the parent increased by ¥11.3 billion, or 9.1% year on year, to ¥135.1 billion.

Consequently, we achieved the consolidated financial forecast (net income attributable to owners of the parent of ¥135.0 billion), hitting a record high for third consecutive year.

* Details are as described in "3. Disclosure about Fiscal Years, etc. of Consolidated Subsidiaries (3)" in "Notes to Significant Accounting Policies for Preparation of Consolidated Financial Statements" in "1. Consolidated Financial Statements, etc." of "Item 5. Financial Information."

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

(Billion Yen)



* 1 Income gain is calculated as the sum of gross profit (excluding asset-related gain/loss) and non-operating income/loss (excluding gains on bad debts recovered).

* 2 Asset-related gain/loss refers to the total of gross profit-based gain/loss on the sale, impairment losses, etc. (including fair value gain/loss) held across the five segments: Customer Solutions, Environment & Energy, Aviation, Logistics, and Real Estate.

Major factors for increase/decrease in net income attributable to owners of the parent are as follows (the amounts provided reflect the impact on income before income taxes).

Increase in Income Gain	¥41.6 billion
Increase in Asset-related Gain/Loss	¥40.3 billion
Increase in Credit Costs	¥(30.0) billion
Increase in Operating Expenses	¥(9.9) billion
Decrease in Extraordinary Income/Loss	¥(13.9) billion
Increase in Others (tax expenses, etc.)	¥(16.6) billion

Major Topics

April 2024	・ Announced the establishment of a special purpose company with Pacific Power Co., Ltd. to support the introduction of equipment contributing to decarbonization such as solar power generation and storage batteries. ・ Completed the investment in European Energy A/S, a Danish company engaging in renewable and next generation energy business, and made the company our equity-method affiliate. * Details are as described in "Notes to New Associate Accounted for by the Equity Method through Share Acquisition" in "1. Consolidated Financial Statements, etc." of "Item 5. Financial Information."
May 2024	・ Announced "Progress of the Medium-term Management Plan (2025 MTMP)"* at the date of disclosure of the financial results for the fiscal year ended March 31, 2024. * Posted "Progress of 2025 MTMP - as of the Time of the Financial Results Briefing for FYE3/2024" on the Company's website on June 20, 2024. ("Medium-term Management Plan" page of the Company's website) https://www.mitsubishi-hc-capital.com/english/investors/managementplan/index.html
June 2024	・ Announced to start discussions with Central Research Institute of Electric Power Industry and NEXTEMS on collaboration for a demonstration project of green hydrogen production in Miyakojima, aiming for Japan's first resource-circulating, third-party-owned on-site hydrogen supply model. ・ To accelerate sustainability management of Nissei Holdings Ltd., our consolidated subsidiary Mitsubishi HC Capital Energy Inc. signed a PPA* for Fukushima Plant of Nissei Limited, a subsidiary of Nissei Holdings Ltd. * PPA (Power Purchase Agreement) is an arrangement in which electricity is supplied to a demand site from a distant power generation facility based on a power purchase agreement. ・ Achieved one of the non-financial targets set out in the 2025 MTMP to achieve "the ratio of standard or higher-level talent in DX assessment* of 80% or more (non-consolidated)" ahead of schedule. * A tool provided by an external vendor to measure the DX literacy level, and the results classify employees into three levels: Beginner, Standard, and Expert.
July 2024	・ Started to provide GX Assessment Lease that supports customers decarbonization investment through lease and installment transactions and certifies that leased property used by customers is a low-carbon facility. ・ Announced to join "Sustainable Aviation Fuel Financing Alliance" and co-invested in "SAFFA Fund I, LP" focusing on Sustainable Aviation Fuel ("SAF"*) to contribute to the expansion of production of SAF which is expected as a means of decarbonization in the aviation industry. * SAF: Sustainable Aviation Fuel
August 2024	・ Mitsubishi HC Capital Energy Inc. announced that it entered into a joint venture agreement on a grid-scale battery business with Samsung C&T Corporation. ・ The Company and its group company Mitsubishi Auto Leasing Corporation announced that they started a collaboration with GO Inc. to develop and enhance the EV charging infrastructure for corporations including gathering customer needs related to EV introduction and operation and sharing information.
September 2024	・ Transferred all shares of its consolidated subsidiary Miyuki Building Co., Ltd. ・ Provided cleaning robots to SOTETSU KIGYO Co., Ltd. undertaking the cleaning of "YUMEGAOKA SORATOS," a large-scale commercial complex located in Yokohama, Kanagawa, and started full-scale operation at the complex.
October 2024	・ Selected the project that passed the final review in the second round of the Founder Program that offers opportunities for intra-entrepreneurship under the Zero-Gravity Venture Lab, one of the initiatives aimed at accelerating new business development. ・ Launched a demonstration experiment with The Kobe Shimbun to install digital signage on the campuses of universities and technical colleges in the Kobe area and deliver contents introducing and increasing recognition of companies based in Hyogo.

November 2024
- Launched collaborative creation with Hitachi, Ltd. and Happiness Planet Ltd. to create new employee benefit services.
- Held "CLAP WakBiz," one of the biggest new business creation ideathons in Japan. New business development personnel from 55 companies, primarily listed companies, and our employees participated.

December 2024
- Announced to start collaboration with Fulltime System Co., Ltd. and its subsidiary Fulltimelocker Co., Ltd. and Japan Post Co., Ltd. to realize a circular economy and reduce redelivery.

February 2025
- Announced the establishment of an off-site hydrogen supply chain using hydrogen produced using renewable energy in TAKANAWA GATEWAY CITY together with East Japan Railway Company, Hitachi, Ltd. and Nihon Kensetsu Kogyo Co., Ltd.
- Mitsubishi HC Capital Estate Plus Inc., our consolidated subsidiary, determined to transfer all shares of its subsidiary PT HCD Properti Indonesia. (The transfer was completed on March 25, 2025)
- "MHC Semi Technologies, Inc." was newly established after one year of a commercialization verification period in the refurbishment* business of used semiconductor manufacturing equipment, which is a project passed the final screening of the first round of the intra-entrepreneurship program.

* To service and finish used items to a like-new condition.

March 2025
- JSA International U.S. Holdings, LLC., our group company, determined to place an order with Airbus S.A.S. for 50 aircraft.
- Launched "IoT forklift service" to reduce forklift accidents and improve operational efficiency with Hokuriku Electric Industry Co., Ltd.
- Started to offer EV leasing with carbon offset with Mitsubishi Auto Leasing Corporation.
- Signed a partnership agreement with Yamagin Lease Co., Ltd. on GX Assessment Lease offered by the Company.

(Investment projects through the Innovation Investment Fund*1 announced during the fiscal year ended March 31, 2025)

Name of investee	Business description
MNES Inc.	Provision of medical support cloud service and remote image diagnostic aid service
MUSE Inc.	Development and sale of robots for retail stores
Formic Technologies Inc.	Provision of industrial robots to the manufacturers using the Robot-as-a-Service model in the U.S.
SoLARIS Inc.	Research and development, sale and support of soft robotics and mechatronics and development and sale of artificial muscles
EneCoat Technologies Co., Ltd.	Development, manufacture and sale of perovskite solar cells (PSCs)*2 and related materials
LexxPluss Inc.	Development and manufacture of automated transfer robots for factory and warehouse logistics (In March 2025, jointly launched the robot subscription service to logistics operators)
AEOS Inc.	Research and development on IT environment to support a safe and secure life Research and development on AI engines to assist daily life Research and development on data models to connect people and society
SPACECOOL INC.	Development and sale of radioactive cooling*3 materials
PXP Corporation	Development of flexible solar cells
Ken Robotech Corporation	Development and provision of labor-saving solutions at construction sites
Renoveru, Inc.	Building and offering a renovation platform to promote distribution and utilization of secondhand real estate
IDOM CaaS Technology Inc.	Car leasing and rental business using its unique credit review system and AI-based residual value prediction model

*1 A total of ¥10 billion of funds launched in April 2023 for investment in startups with an aim to promote creation of new services and development of new businesses.

*2 Next generation solar cells that are thin, lightweight and flexible which use chemical compounds having a crystalline structure called the perovskite structure as a power-generating layer.

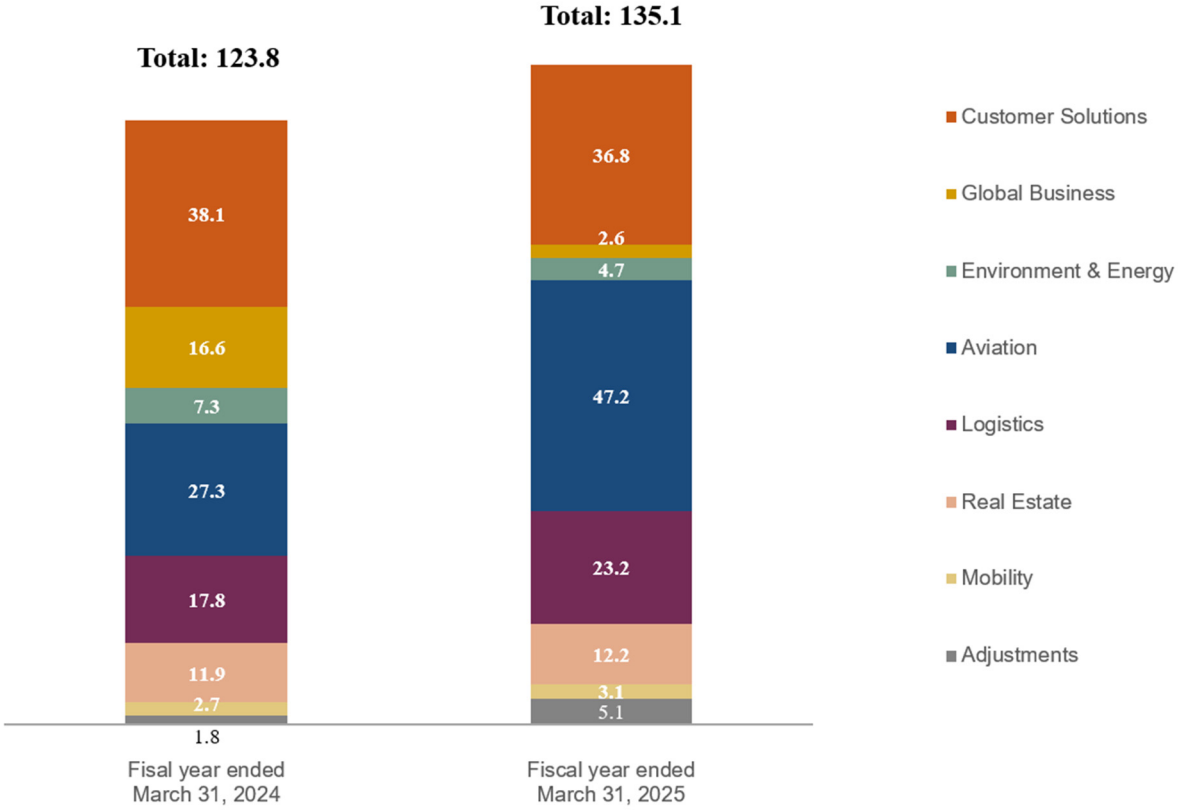
*3 A natural phenomenon in which an object emits infrared rays to its surroundings, causing its temperature to decrease.

(ii) Business results by reportable segment

The business results by reportable segment and the main factors behind increases or decreases are as follows.

Details of the business of each segment are as described in "3. Description of Business" in "1. Overview of the Company and its Consolidated Subsidiaries."

Segment Profit (net Income attributable to Owners of the Parent by Segment) Year on Year (Billions of yen)



Customer Solutions

Despite gain on sale of shares of subsidiaries and affiliates, segment profit declined by ¥1.2 billion, or 3.3% year on year, to ¥36.8 billion, mainly due to the negative impact of excluding former consolidated subsidiaries—DFL Lease Co., Ltd., Shutoken Leasing Co., Ltd., and Sekisui Leasing Co., Ltd.—from the scope of consolidation, along with an increase in credit costs.

Global Business

Segment profit fell by ¥13.9 billion, or 83.9% year on year, to ¥2.6 billion, primarily due to higher credit costs amid a downturn in the transportation sector in the Americas and the absence of the prior-year positive effects of adjusting the fiscal period associated with the reorganization of subsidiaries in the region*.

* Effective April 1, 2023, we executed the business integration of three subsidiaries in the Americas with a different fiscal year-end. While the surviving company's fiscal year-end is March 31, the two merged companies' fiscal year-end was December 31. Accordingly, the previous fiscal year reflected both the results of the surviving company from April 1, 2023 to March 31, 2024, and the results of the two merged companies from January 1 to March 31, 2023.

Environment & Energy

Despite recording gain on sale of investment securities linked to overseas infrastructure project sales, segment profit declined by ¥2.5 billion, or 35.0% year on year, to ¥4.7 billion, mainly due to significant credit costs related to a domestic renewable energy project and additional impairment losses on a domestic solar power project that had already been impaired in the previous fiscal year.

Aviation

Segment profit increased by ¥19.8 billion, or 72.7% year on year, to ¥47.2 billion, mainly thanks to increases in leasing revenue and gain on sales as well as the positive effects of fiscal period adjustment associated with the change in the fiscal year-end of JSA International Holdings and its subsidiaries.

Logistics

While gains on vessel sales declined, segment profit rose by ¥5.3 billion, or 30.2% year on year, to ¥23.2 billion, supported by increases in leasing revenues and gains on sales of assets in the marine container and railcar leasing businesses.

Real Estate

Segment profit increased by ¥0.2 billion, or 2.4% year on year, to ¥12.2 billion. This was mainly because, despite the absence of a large gain on sales of multiple projects and a gain on step acquisitions recorded in the previous fiscal year (related to making CenterPoint Development Inc. a wholly owned subsidiary) and the recording of a loss on sales of shares of subsidiaries and affiliates (related to the transfer of shares of our consolidated subsidiary Miyuki Building Co., Ltd.), a large gain on sales was recorded by the company prior to the share transfer, and the loss on valuation of U.S. projects decreased.

Mobility

Segment profit increased by ¥0.3 billion, or 10.9% year on year, to ¥3.1 billion, driven by strong performance at equity-method affiliate Mitsubishi Auto Leasing Corporation and a resulting increase in share of profit of entities accounted for using equity method.

(iii) Consolidated financial position

As of March 31, 2025, total assets increased by ¥612.4 billion, or 5.5% from the previous fiscal year-end, to ¥11,762.3 billion, while total equity rose by ¥99.1 billion, or 5.8%, to ¥1,804.5 billion, and interest-bearing debt (excluding lease obligations) increased by ¥401.0 billion, or 4.8%, to ¥8,840.7 billion. The equity ratio increased by 0.1 points to 15.2%.

(iv) Capital Resources and Liquidity of Funds

We obtain a large amount of funds in domestic and foreign currencies to fund our operations such as lease transactions and providing loans.

At the end of the fiscal year under review, interest-bearing debt (excluding lease obligations) increased ¥401.0 billion from the previous fiscal year-end to ¥8,840.7 billion, and total liabilities increased ¥513.2 billion from the previous fiscal year-end to ¥9,957.8 billion. Out of interest-bearing debt, long-term liabilities such as long-term loans increased by ¥472.7 billion to ¥5,856.6 billion, while short-term liabilities such as short-term loans and commercial paper decreased by ¥71.6 billion to ¥2,984.1 billion.

We are committed to securing funds to support our businesses at any time while we control the cost of funds. We diversify our financing methods such as by using indirect financing through borrowings from financial institutions and direct financing through corporate bonds, commercial papers, and securitization of lease receivables. With regard to indirect financing, we continue borrowing from wide range of financial institutions with long standing relationship, such as Japan's three mega-banks, regional banks, and life insurance companies. With regard to direct financing, we diversify our funding source, such as issuing corporate bonds for retail investors as well as financing from banks and institutional investors.

With regard to fund management in the entire Group, we have put in place a system to allocate funds efficiently utilizing group finance from Mitsubishi HC Capital and Regional Treasury Base.

From the perspective of liquidity, we manage cash flows closely and monitor funding liquidity risk even in normal times. The quarterly ALM Committee identifies the current status and issues of liquidity risk and discusses measures against the risk. We are committed to maintaining a strong financial position through these risk management initiatives.

In order to prepare for changes in the funding environment due to financial market turmoil and various risks, we have made overdraft agreements and commitment line agreements with multiple financial institutions to secure liquidity support in the event of an emergency. At the end of the fiscal year, the undrawn commitment in the Group amounted to ¥810.2 billion.

For cash flows, please refer to "(ii) Cash Flows" in "(1) Overview of Business Results, etc." in "4. Management's Analyses of Consolidated Financial Position, Business Results and Cash Flows" of "Item 2. Business Overview."

(v) Significant Accounting Estimates and Assumptions used in Such Estimates

Of the accounting estimates used in the preparation of the consolidated financial statements and the non-consolidated financial statements and the assumptions used in such estimates, those that are significant are described in "Notes on Significant

Accounting Estimates" in "1. Consolidated Financial Statements, etc." of "Item 5. Financial Information" and "Notes on Significant Accounting Estimates" in "2. Non-Consolidated Financial Statements, etc." of "Item 5. Financial Information."

(3) Status of Operating Loans Receivable based on the Cabinet Office Ordinance on Disclosure of Specified Finance Companies, etc. (Ordinance of the Ministry of Finance No. 57 of May 19, 1999)

The status of operating loans receivable in the Company is as follows.

(i) Breakdown of Loans Receivable Outstanding by Type

(As of March 31, 2025)

Type of Loans Receivable	Number (Items)	Percentage (%)	Balance (Millions of Yen)	Percentage (%)	Average Contracted Interest Rate (%)
For Consumers					
Unsecured (excluding Housing)	24	0.30	19	0.00	1.97
Secured (excluding Housing)	–	–	–	–	–
For Housing	5,175	64.04	22,919	1.58	1.62
Total	5,199	64.34	22,938	1.58	1.63
For Business Operators					
Total	2,882	35.66	1,430,662	98.42	2.28
Total	8,081	100.00	1,453,601	100.00	2.23

(ii) Breakdown of Financing

(As of March 31, 2025)

Lenders, etc.		Balance (Millions of Yen)	Average Financing Interest Rate (%)
Borrowings from Financial Institutions, etc.		1,867,797	1.94
Others		1,983,128	0.95
	Corporate Bonds and Commercial Papers	1,944,960	0.96
Total		3,850,926	1.43
Shareholders' Equity		840,131	–
	Share Capital and Capital Contributions	33,196	–

(Notes) 1. The total amount of loans receivable transferred in the fiscal year under review was ¥0 million.

2. The average financing interest rate is the weighted average interest rate based on the contracted interest rate on the year-end balance of borrowings, etc.

(iii) Breakdown of Loans Receivable Outstanding by Industry

(As of March 31, 2025)

By Industry	Number of Obligors (Items)	Percentage (%)	Balance (Millions of Yen)	Percentage (%)
Manufacturing	110	2.28	52,645	3.62
Construction	10	0.21	710	0.05
Electricity, Gas, Heat Supply and Water	39	0.81	76,455	5.26
Transport and Communications	24	0.50	259,395	17.85
Wholesale and Retail Trade, and Eating and Drinking Places	198	4.10	8,636	0.59
Finance and Insurance	29	0.60	37,593	2.59
Real Estate	178	3.69	499,327	34.35
Service	396	8.20	448,270	30.84
Agriculture	–	–	–	–
Individuals	3,744	77.58	22,938	1.58
Others	98	2.03	47,629	3.27
Total	4,826	100.00	1,453,601	100.00

(iv) Breakdown of Loans Receivable Outstanding by Collateral

(As of March 31, 2025)

Type of Collateral received		Balance (Millions of Yen)	Percentage (%)
Securities		–	–
	including Shares	–	–
Claim		5,039	0.35
	including Deposits	1,718	0.12
Merchandise		–	–
Real Estate		195,043	13.42
Foundation		–	–
Others		9,559	0.66
Total		209,643	14.42
Guarantees		8,474	0.58
Unsecured		1,235,484	85.00
Total		1,453,601	100.00

(v) Breakdown of Loans Receivable Outstanding by Period

(As of March 31, 2025)

By Period	Number (Items)	Percentage (%)	Balance (Millions of Yen)	Percentage (%)
1 Year or Less	1,009	12.49	77,386	5.32
Over 1 Year to 5 Years	803	9.94	543,251	37.37
Over 5 Years to 10 Years	892	11.04	553,931	38.11
Over 10 Years to 15 Years	109	1.35	201,017	13.83
Over 15 Years to 20 Years	272	3.36	28,619	1.97
Over 20 Years to 25 Years	1,238	15.32	9,779	0.67
Over 25 Years	3,758	46.50	39,615	2.73
Total	8,081	100.00	1,453,601	100.00
Average Period per Case			7.25 years	

(Note) Periods are on a contractual term basis.

5 Material Agreements, etc.

(1) Aircraft Purchase Agreement between JSA International U.S. Holdings, LLC, a Consolidated Subsidiary of the Company, Boeing and Airbus S.A.S.

In the fiscal year under review, JSA International U.S. Holdings, LLC., a consolidated subsidiary of the Company, entered into an agreement to order 50 aircraft from Airbus S.A.S. These aircraft will be delivered from 2031.

Contract Company Name	Contract Year	Contractor	Expected Date of Receipt	Description of the Contract
JSA International U.S. Holdings, LLC	Fiscal year ended March 31, 2019	Boeing	Up to 2028 (Note 2)	Aircraft purchase agreement ・Boeing 737 Max 8 22 aircraft (Note 1)
JSA International U.S. Holdings, LLC	Fiscal year ended March 31, 2025	Airbus S.A.S.	From 2031	Aircraft purchase agreement ・A320neo family aircraft (A320neo and A321neo) 50 aircraft

(Notes) 1. In the fiscal year ended March 31, 2021, the Company entered into an agreement to change the number of aircraft purchased to 22 from 30 in the initial agreement.

2. In the fiscal year ended March 31, 2023, the Company entered into an agreement to change the expected date of receipt in the initial agreement (up to 2025) to the period up to 2026. In addition, a notification regarding the expected date of receipt (up to 2028) was received in May 2025.

(2) At the Board of Directors meeting held on August 9, 2024, the Company determined to transfer all the shares of our consolidated subsidiary Miyuki Building Co., Ltd., which had been held by the Company and consolidated subsidiary Mitsubishi HC Capital Estate Plus Inc, and entered into a share transfer agreement as of September 13, 2024. Details are as described in “Notes to Business Combinations” in “1. Consolidated Financial Statements, etc.” of “Item 5. Financial Information.”

(3) At the Board of Directors meeting held on December 20, 2024, the Company resolved to execute a company split, effective April 1, 2025, whereby its domestic real estate finance business managed by the Real Estate Business segment will be succeeded by Mitsubishi HC Capital Realty Inc., a wholly owned subsidiary engaged in the real estate investment business. An absorption-type company split agreement was entered into on January 10, 2025. Details are as described in “Notes to Significant Subsequent Events” in “2. Non-Consolidated Financial Statements, etc.” of “Item 5. Financial Information.”

6 Research and Development Activities

There is nothing to be noted.

Item 3. Property, Plants and Equipment

1. Leased Assets

(1) Overview of Capital Investments

The breakdown of capital investment in leased assets at the Company and its consolidated subsidiaries for the fiscal year under review is as follows.

Category	Acquisition Cost (Millions of Yen)
Operating lease assets	958,073

(Note) leased assets transferred from lease investment assets due to the conclusion of a renegotiated lease agreement after the completion of a finance lease transaction are not included.

Breakdown of assets sold or retired due to the termination of lease transactions during the fiscal year under review are as follows.

Category	Book Value (Millions of Yen)
Operating lease assets	248,161

(Note) Includes sales and retirement of leased assets under renegotiated lease agreements.

(2) Major Facilities

The breakdown of leased assets at the Company and its consolidated subsidiaries is as follows.

Category	Book Value (Millions of Yen)
Operating lease assets	4,431,797

(Note) Includes leased assets under renegotiated lease agreements.

(3) Plans for Capital Investment, Disposal of Property, Plants and Equipment, etc.

There are no plans to build or dispose of important facilities. The Group offers flexible services which are not limited to financial functions while utilizing various functions related to tangible and intangible assets, and has not formulated a capital investment plan that targets only leased assets. Based on contracts, etc. with business partners, assets related to operating leases, etc. are acquired and disposed of as needed.

2. Assets for own Use

(1) Overview of Capital Investments

There is nothing to be noted.

(2) Major Facilities

There is nothing to be noted.

(3) Plans for Capital Investment, Disposal of Property, Plants and Equipment, etc.

(i) New Capital Investment and Renovation

Reporting Company

Name (Location)	Name of the Segment	Details of Facilities	Planned Amount of Investment (Millions of Yen)		Method of Financing	Commencement Date	Scheduled Completion Date
			Total Amount	Amount Already Paid			
Head office and others (Chiyoda-ku, Tokyo and others)	Common with all segments and throughout the Company	Renewal of backbone systems	5,000	542	Internally generated funds and borrowings	April 2024	January 2026

(ii) Retirement, Disposal, etc.

There is nothing to be noted.

Item 4. Information on the Company

1. Information on the Company's Shares, etc.

(1) Total Number of Shares, etc.

(i) Total Number of Shares

Type	Total Number of Authorized Shares
Common Shares	4,800,000,000
Total	4,800,000,000

(ii) Outstanding Shares

Type	Number of Shares issued as of the End of the Fiscal Year (March 31, 2025)	Number of Shares Issued as of the Date of Submission (June 25, 2025)	Name of Financial Instrument Exchange or Registered Authorized Financial Instrument Firm Association on which Shares are listed	Description
Common Shares	1,466,912,244	1,466,912,244	Prime Market of the Tokyo Stock Exchange	Number of shares per unit 100
Total	1,466,912,244	1,466,912,244	—	—

(2) Share Acquisition Rights, etc.

(i) Description of the Stock Option Plan

Date of Resolution	September 27, 2012	September 26, 2013
Category and Number of Grantees (Persons)	Directors of the Company: 10 (excluding Outside Directors) Executive Officers of the Company: 17 (excluding those concurrently holding positions as directors)	Directors of the Company: 10 (excluding Outside Directors) Executive Officers of the Company: 19 (excluding those concurrently holding positions as directors)
Number of Share Acquisition Rights*	216	147
Class, Description and Number of Shares to be issued upon Exercise of Share Acquisition Rights*	Common Shares 21,600 (Note 1)	Common Shares 14,700 (Note 1)
Amount to be paid upon Exercise of Share Acquisition Rights*	¥1 per share	
Exercise Period of Share Acquisition Rights*	From October 16, 2012 to October 15, 2042	From October 16, 2013 to October 15, 2043
Issue Price of Shares and Additional paid-in Capital per Share if Shares are issued upon Exercise of Share Acquisition Rights*	Issue Price: ¥312.9 Additional paid-in capital per share: ¥156.5	Issue Price: ¥503 Additional paid-in capital per share: ¥252
Conditions for exercise of Share Acquisition Rights*	(Note 2)	
Matters concerning the transfer of Share Acquisition Rights*	Acquisition of share acquisition rights by transfer shall be subject to the approval of the Board of Directors of the Company by its resolution.	
Matters concerning the Delivery of Share Acquisition Rights in Connection with Organizational Restructuring*	(Note 3)	

Date of Resolution	September 25, 2014	September 29, 2015
Category and Number of Grantees (Persons)	Directors of the Company: 10 (excluding Outside Directors) Executive Officers of the Company: 18 (excluding those concurrently holding positions as directors)	Directors of the Company: 9 (excluding Outside Directors) Executive Officers of the Company: 20 (excluding those concurrently holding positions as directors)
Number of Share Acquisition Rights*	597 [503]	749
Class, Description and Number of Shares to be issued upon Exercise of Share Acquisition Rights*	Common Shares 59,700 (Note 1) [50,300] (Note 1)	Common Shares 74,900 (Note 1)
Amount to be paid upon Exercise of Share Acquisition Rights*	¥1 per share	
Exercise Period of Share Acquisition Rights*	From October 16, 2014 to October 15, 2044	From October 16, 2015 to October 15, 2045
Issue Price of Shares and Additional paid-in Capital per Share if Shares are issued upon Exercise of Share Acquisition Rights*	Issue Price: ¥491 Additional paid-in capital per share: ¥246	Issue Price: ¥547 Additional paid-in capital per share: ¥274
Conditions for exercise of Share Acquisition Rights*	(Note 2)	
Matters concerning the transfer of Share Acquisition Rights*	Acquisition of share acquisition rights by transfer shall be subject to the approval of the Board of Directors of the Company by its resolution.	
Matters concerning the Delivery of Share Acquisition Rights in Connection with Organizational Restructuring*	(Note 3)	

Date of Resolution	September 29, 2016	September 27, 2017
Category and Number of Grantees (Persons)	Directors of the Company: 9 (excluding Outside Directors) Executive Officers of the Company: 20 (excluding those concurrently holding positions as directors)	Directors of the Company: 9 (excluding Outside Directors) Executive Officers of the Company: 27 (excluding those concurrently holding positions as directors)
Number of Share Acquisition Rights*	1,191	1,912 [1,773]
Class, Description and Number of Shares to be issued upon Exercise of Share Acquisition Rights*	Common Shares 119,100 (Note 1)	Common Shares 191,200 (Note 1) [177,300] (Note 1)
Amount to be paid upon Exercise of Share Acquisition Rights*	¥1 per share	
Exercise Period of Share Acquisition Rights*	From October 15, 2016 to October 14, 2046	From October 14, 2017 to October 13, 2047
Issue Price of Shares and Additional paid-in Capital per Share if Shares are issued upon Exercise of Share Acquisition Rights*	Issue Price: ¥437 Additional paid-in capital per share: ¥219	Issue Price: ¥567 Additional paid-in capital per share: ¥284
Conditions for exercise of Share Acquisition Rights*	(Note 2)	
Matters concerning the transfer of Share Acquisition Rights*	Acquisition of share acquisition rights by transfer shall be subject to the approval of the Board of Directors of the Company by its resolution.	
Matters concerning the Delivery of Share Acquisition Rights in Connection with Organizational Restructuring*	(Note 3)	

Date of Resolution	June 28, 2018	June 25, 2019
Category and Number of Grantees (Persons)	Directors of the Company: 6 (excluding Outside Directors) Executive Officers of the Company: 33 (excluding those concurrently holding positions as directors)	Directors of the Company: 5 (excluding Outside Directors) Executive Officers of the Company: 30 (excluding those concurrently holding positions as directors)
Number of Share Acquisition Rights*	1,979	2,972
Class, Description and Number of Shares to be issued upon Exercise of Share Acquisition Rights*	Common Shares 197,900 (Note 1)	Common Shares 297,200 (Note 1)
Amount to be paid upon Exercise of Share Acquisition Rights*	¥1 per share	
Exercise Period of Share Acquisition Rights*	From July 14, 2018 to July 13, 2048	From July 13, 2019 to July 12, 2049
Issue Price of Shares and Additional paid-in Capital per Share if Shares are issued upon Exercise of Share Acquisition Rights*	Issue Price: ¥591 Additional paid-in capital per share: ¥296	Issue Price: ¥514 Additional paid-in capital per share: ¥257
Conditions for exercise of Share Acquisition Rights*	(Note 2)	
Matters concerning the transfer of Share Acquisition Rights*	Acquisition of share acquisition rights by transfer shall be subject to the approval of the Board of Directors of the Company by its resolution.	
Matters concerning the Delivery of Share Acquisition Rights in Connection with Organizational Restructuring*	(Note 3)	

Date of Resolution	June 24, 2020	June 25, 2021
Category and Number of Grantees (Persons)	Directors of the Company: 5 (excluding Outside Directors) Executive Officers of the Company: 31 (excluding those concurrently holding positions as directors)	Directors of the Company: 6 (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) Executive Officers of the Company: 55 (excluding those concurrently holding positions as directors)
Number of Share Acquisition Rights*	3,273	6,691 [6,599]
Class, Description and Number of Shares to be issued upon Exercise of Share Acquisition Rights*	Common Shares 327,300 (Note 1)	Common Shares 669,100 (Note 1) [659,900] (Note 1)
Amount to be paid upon Exercise of Share Acquisition Rights*	¥1 per share	
Exercise Period of Share Acquisition Rights*	From July 16, 2020 to July 15, 2050	From July 16, 2021 to July 15, 2051
Issue Price of Shares and Additional paid-in Capital per Share if Shares are issued upon Exercise of Share Acquisition Rights*	Issue Price: ¥425 Additional paid-in capital per share: ¥213	Issue Price: ¥500 Additional paid-in capital per share: ¥250
Conditions for exercise of Share Acquisition Rights*	(Note 2)	(Note 4)
Matters concerning the transfer of Share Acquisition Rights*	Acquisition of share acquisition rights by transfer shall be subject to the approval of the Board of Directors of the Company by its resolution.	
Matters concerning the Delivery of Share Acquisition Rights in Connection with Organizational Restructuring*	(Note 3)	

Date of Resolution	June 28, 2022
Category and Number of Grantees (Persons)	Directors of the Company: 6 (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) Executive Officers of the Company: 55 (excluding those concurrently holding positions as directors)
Number of Share Acquisition Rights*	7,483 [7,391]
Class, Description and Number of Shares to be issued upon Exercise of Share Acquisition Rights*	Common Shares 748,300 (Note 1) [739,100] (Note 1)
Amount to be paid upon Exercise of Share Acquisition Rights*	¥1 per share
Exercise Period of Share Acquisition Rights*	From July 16, 2022 to July 15, 2052
Issue Price of Shares and Additional paid-in Capital per Share if Shares are issued upon Exercise of Share Acquisition Rights*	Issue Price: ¥512 Additional paid-in capital per share: ¥256
Conditions for exercise of Share Acquisition Rights*	(Note 4)
Matters concerning the transfer of Share Acquisition Rights*	Acquisition of share acquisition rights by transfer shall be subject to the approval of the Board of Directors of the Company by its resolution.
Matters concerning the Delivery of Share Acquisition Rights in Connection with Organizational Restructuring*	(Note 3)

* Description as of the last day of the fiscal year under review (March 31, 2025) is presented. For matters that changed from the last day of the fiscal year under review to the end of the month before the submission date (May 31, 2025), the description as of the end of the month before the submission date is described in [ ], and for other matters, there is no change from the description as of the last day of the fiscal year under review.

(Notes) 1. The class of shares to be issued upon exercise of the share acquisition rights shall be common shares, and the number of shares to be issued upon exercise of each share acquisition right (hereinafter referred to as the "Number of Shares Granted") shall be 100 shares.

If the Company splits its common shares (including gratis allotment of shares of common shares of the Company; the same shall apply hereinafter to the description of a share split) or consolidates its common shares after the date on which the share acquisition rights are allotted (hereinafter referred to as the "Allotment Date"), the Number of Shares Granted shall be adjusted according to the following formula; provided, however, that such adjustment shall be made to the number of shares underlying the share acquisition rights that have not been exercised at the time of such adjustment, and any fraction less than one share arising from such adjustment shall be discarded.

Number of Shares Granted after adjustment = Number of Shares Granted before adjustment × Ratio of stock split or stock consolidation

Number of Shares Granted after adjustment shall apply in the case of a stock split on or after the day following the record date of such stock split (if the record date is not specified, the effective date thereof) and in the case of a stock consolidation on or after the effective date thereof; provided, however, that in cases where a stock split is carried out on the condition that a proposal to increase share capital or capital reserve by reducing the amount of surplus is approved at the General Meeting of Shareholders of the Company, and where the record date for the stock split is a day on or before the date of conclusion of such General Meeting of Shareholders, the Number of Shares Granted after adjustment shall apply on or after the day following the date of conclusion of such General Meeting of Shareholders.

In addition to the above, if the Company carries out a merger, company split or share exchange or otherwise requires an adjustment to the Number of Shares Granted after the Allotment Date, the Company may make an adjustment to the Number of Shares Granted as deemed necessary by the Board of Directors of the Company.

2. (1) In addition to the period within "Exercise Period of Share Acquisition Rights," share acquisition right holders may exercise share acquisition rights within a period not exceeding five years from the date on which one year has passed from the date following the date on which they lost their positions as Directors, Corporate Auditors, Executive Officers, etc. of the Company.

   (2) Notwithstanding (1) above, if a proposal for approval of a merger agreement under which the Company will become an extinct company, a proposal for approval of a company split agreement or company split plan under which the Company will become a splitting company, or a proposal for approval of a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary is approved at the General Meeting of Shareholders of the Company (if a resolution of the General Meeting of Shareholders is not required, a resolution of the Board of Directors of the Company is adopted), share acquisition rights may be exercised within 30 days from the day following the date of such approval; provided, however, that this shall not apply to cases where the share acquisition rights of the restructured company are delivered to the share acquisition right holders in accordance with the matters related to delivery of share acquisition rights in accordance with the organizational restructuring as set forth in (Note 3) below.

   (3) Other conditions shall be as set forth in the "Share Option Allotment Agreement" to be concluded between the Company and the share acquisition right holders.

3. In the event the Company merges (only if the Company disappears as a result of merger), performs an absorption-type company split or an incorporation-type company split (only if the Company is to be a splitting company), or conducts a share exchange or a share transfer (only if the Company becomes a wholly owned subsidiary) (hereinafter collectively referred to as "Organizational Restructuring"), share acquisition rights of a corporation described in Article 236, Paragraph 1, Item (viii) (a) through (e) of the Companies Act (hereinafter referred to as "Restructured Company") shall be delivered respectively to share acquisition right holders remaining unexercised (hereinafter referred to as "Remaining Share Acquisition Rights") immediately prior to the effective day of Organizational Restructuring (this means the day on which an absorption-type merger becomes effective with regard to an absorption-type merger, the day of formation of the stock company incorporated in the consolidation-type merger with regard to a consolidation-type merger, the day on which an absorption-type company split becomes effective with regard to an absorption-type company split, the day of formation of the stock company incorporated in the incorporation-type split with regard to an incorporation-type company split, the day on which a share exchange becomes effective with regard to a share exchange, and the day of formation of the wholly owning parent company incorporated in the share transfer with regard to a share transfer; the same shall apply hereinafter); provided, however, that the delivery of share acquisition rights of the Restructured Company in accordance with the following items shall be subject to the provisions of the absorption-type merger agreement, consolidation-type merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan.

   (1) Number of Share Acquisition Rights of the restructured Company to be delivered
   The same number of share acquisition rights as the number of remaining share acquisition rights held by the share acquisition right holders shall be delivered respectively.

   (2) Class of Shares of the Restructured Company to be issued upon Exercise of Share Acquisition Rights
   Common shares of the Restructured Company.

   (3) Number of Shares of the Restructured Company to be issued upon Exercise of Share Acquisition Rights
   To be decided according to (Note 1) above after taking into consideration the conditions, etc. of the Organizational Restructuring

   (4) Amount of Assets to be contributed upon Exercising Share Acquisition Rights
   Value of assets to be contributed upon the exercise of each share acquisition right to be delivered shall be the amount obtained by multiplying the exercise price after restructuring as specified below by the number of shares of the Restructured Company to be issued for each share acquisition right as determined in accordance with (3) above. The exercise price after restructuring shall be one yen per share of the Restructuring Company that can be delivered by exercising each share acquisition right to be delivered.

   (5) Period during which Share Acquisition Rights can be exercised
   Starting from the later of either the initial date of the exercise period of share acquisition rights as stipulated in the "Exercise Period of Share Acquisition Rights" or the date on which the Organizational Restructuring becomes effective and ending on the expiration date for the exercise of share acquisition rights as stipulated in the "Exercise Period of Share Acquisition Rights."

(6) Matters concerning increase in Share Capital and Capital Reserve by issuing of Shares upon Exercise of Share Acquisition Rights

(i) Amount of share capital to be increased with the issuance of shares upon exercise of share acquisition rights shall be 1/2 of the maximum amount of increase in share capital as calculated in accordance with Article 17, Paragraph 1 of the Regulations on Corporate Accounting, and where any fraction less than one yen arises as a result of the calculation, such fraction shall be rounded up.

(ii) Amount of capital reserve to be increased with the issuance of shares upon exercise of share acquisition rights shall be the maximum amount of increase in share capital as described in (i) above less the amount of share capital increase as described in (i) above.

(7) Restriction on the Acquisition of Share Acquisition Rights by Transfer

Acquisition of share acquisition rights by transfer shall be subject to the approval of the board of directors of the Restructured Company by its resolution.

(8) Conditions for Exercise of Share Acquisition Rights

To be determined in accordance with (Note 2) above or (Note 4) below.

(9) Terms of Acquisition of Share Acquisition Rights

The Company may acquire share acquisition rights on the date specifically determined by the Board of Directors of the Company without any compensation if proposals (i), (ii), (iii), (iv) or (v) below are approved by the General Meeting of Shareholders of the Company (if a resolution of the General Meeting of Shareholders is not required, a resolution of the Board of Directors of the Company is adopted).

(i) Proposal to approve a merger agreement under which the Company will become an extinct company

(ii) Proposal to approve a company split agreement or a company split plan under which the company will become a splitting company

(iii) Proposal to approve a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary

(iv) Proposal to approve an amendment to the Articles of Incorporation to create a provision, as a feature of all shares issued by the Company, that the approval of the Company shall be required for the acquisition of such shares by transfer

(v) Proposal to approve an amendment to the Articles of Incorporation to create a provision that, as a feature of a class of shares underlying share acquisition rights, approval of the Company shall be required for the acquisition of such class of shares by transfer, or that the Company shall acquire all of such class of shares by resolution of a General Meeting of Shareholders of the Company

4. (1) In addition to the period within "Exercise Period of Share Acquisition Rights," share acquisition right holders may exercise share acquisition rights within a period not exceeding five years from the date on which one year has passed from the date following the date on which they lost their positions as Directors or Executive Officers, etc. of the Company.

(2) Notwithstanding (1) above, if a proposal for approval of a merger agreement under which the Company will become an extinct company, a proposal for approval of a company split agreement or company split plan under which the Company will become a splitting company, or a proposal for approval of a share exchange agreement or share transfer plan under which the Company will become a wholly owned subsidiary is approved at the General Meeting of Shareholders of the Company (if a resolution of the General Meeting of Shareholders is not required, a resolution of the Board of Directors of the Company is adopted), share acquisition rights may be exercised within 30 days from the day following the date of such approval; provided, however, that this shall not apply to cases where the share acquisition rights of the restructured company are delivered to the share acquisition right holders in accordance with the matters related to delivery of share acquisition rights in accordance with the organizational restructuring as set forth in (Note 3) above.

(3) Other conditions shall be as set forth in the "Share Option Allotment Agreement" to be concluded between the Company and the share acquisition right holders.

(ii) Rights Plan

Not applicable.

(iii) Other Share Acquisition Rights, etc.

Not applicable.

(3) Exercises, etc., of Moving Strike Convertible Bonds, etc.

Not applicable.

(4) Changes in Number of Issued Shares, Share Capital, etc.

Date	Changes in Number of Issued Shares (Thousands of Shares)	Balance of Number of Issued Shares (Thousands of Shares)	Changes in Share Capital (Millions of Yen)	Balance of Share Capital (Millions of Yen)	Changes in Capital Reserve (Millions of Yen)	Balance of Capital Reserve (Millions of Yen)
April 1, 2021	571,078	1,466,912	–	33,196	–	33,802

(Note) As a result of the merger of Mitsubishi UFJ Lease & Finance Company Limited and Hitachi Capital Corp. (merger ratio: 1: 5.1) on April 1, 2021, the total number of issued shares increased 571,078 thousand shares to 1,466,912 thousand shares.

(5) Shareholding by Shareholder Category

(As of March 31, 2025)

Category	Status of Shares (100 Shares per Unit)								Shares Less than One Unit (Shares)
	National and Local Governments	Financial Institutions	Financial Instruments Business Operators	Other Corporations	Foreign Shareholders		Individuals and Others	Total	
					Other than Individuals	Individuals			
Number of Shareholders	–	92	44	1,660	573	742	413,646	416,757	–
Number of Shares held (Units)	–	3,847,871	313,153	5,081,302	2,338,824	3,163	3,053,486	14,637,799	3,132,344
Shareholding Ratio (%)	–	26.29	2.14	34.71	15.98	0.02	20.86	100.00	–

(Note) 28,823,521 shares of treasury shares are stated in “Individuals and Others,” including 288,235 units, and 21 shares in Shares less than one unit.

(6) Major Shareholders

(As of March 31, 2025)

Name	Location	Number of Shares held (Thousands of Shares)	Ownership Percentage to the Total Number of issued Shares (excluding Treasury Shares) (%)
Mitsubishi Corporation	3-1 Marunouchi 2-chome, Chiyoda-ku, Tokyo	264,044	18.36
Mitsubishi UFJ Financial Group, Inc.	4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo	208,345	14.48
The Master Trust Bank of Japan, Ltd. (Trust Account) (Note 1)	8-1 Akasaka 1-chome, Minato-ku, Tokyo	144,141	10.02
Custody Bank of Japan, Ltd. (Trust Account) (Note 2)	8-12 Harumi 1-chome, Chuo-ku, Tokyo	66,458	4.62
MUFG Bank, Ltd.	4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo	50,348	3.50
Mitsubishi UFJ Trust and Banking Corporation (Note 3)	4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo	28,431	1.97
Meiji Yasuda Life Insurance Company	1-1 Marunouchi 2-chome, Chiyoda-ku, Tokyo	27,990	1.94
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (15-1 Konan 2-chome, Minato-ku, Tokyo)	17,318	1.20
STATE STREET BANK AND TRUST COMPANY 505103 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (15-1 Konan 2-chome, Minato-ku, Tokyo)	13,527	0.94
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (15-1 Konan 2-chome, Minato-ku, Tokyo)	13,248	0.92
Total	–	833,855	57.98

(Notes) 1. Of the shares held by The Master Trust Bank of Japan, Ltd. (Trust Account), 60,064 thousand are in investment trusts, and 1,334 thousand are in pension trusts.

2. Of the shares held by Custody Bank of Japan, Ltd. (Trust Account), 27,472 thousand are in investment trusts, and 1,782 thousand are in pension trusts.

3. Shares in trust business are not included for the number of shares held by Mitsubishi UFJ Trust and Banking Corporation

(7) Voting Rights

(i) Issued Shares

(As of March 31, 2025)

Category	Number of Shares (Shares)		Number of Voting Rights (Units)	Description
Shares without Voting Rights		–	–	–
Shares with restricted Voting Rights (Treasury Shares, etc.)		–	–	–
Shares with restricted Voting Rights (Others)		–	–	–
Shares with full Voting Rights (Treasury Shares, etc.)	Common shares	28,823,500	–	–
Shares with full Voting Rights (Others)	Common Shares	1,434,956,400	14,349,564	–
Shares Less than One Unit	Common Shares	3,132,344	–	–
Total Number of issued Shares		1,466,912,244	–	–
Total Number of Voting Rights		–	14,349,564	–

(Notes) 1. The shares of common shares in the "Shares with full Voting Rights (Others)" and "Shares Less than One Unit" columns include 6,100 Company shares (61 voting rights) and 20 Company shares held by Japan Securities Depository Center, Incorporated.

2. The shares of common stock in the "Shares with full Voting Rights (Others)" and "Shares Less than One Unit" columns include 2,527,600 Company shares (25,276 voting rights) and 76 Company shares held by a trust under the performance-based stock compensation plan.

(ii) Treasury Shares, etc.

(As of March 31, 2025)

Name of Shareholders	Address of Shareholders	Number of Shares held under own Name (Shares)	Number of Shares held under the Names of Others (Shares)	Total Shares held (Shares)	Ownership Percentage to the Total Number of issued Shares (%)
Mitsubishi HC Capital Inc.	5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	28,823,500	–	28,823,500	1.96
Total	–	28,823,500	–	28,823,500	1.96

(Note) In addition to the Number of Shares held under own Name of 28,823,521 shares (including 21 shares less than one unit), 2,527,676 of the Company's shares held by a trust under the performance-based stock compensation plan are recorded as treasury shares in the financial statements.

(8) Description of Officers' and Employees' Shareholding Plan

The Company resolved at the 52nd Annual General Meeting of Shareholders held on June 27, 2023 to adopt a performance-based stock compensation plan that uses a trust (hereinafter, the "Plan") for Directors (excluding non-Executive Directors and non-residents in Japan) excluding Directors who are Audit & Supervisory Committee Members and Executive Officers, etc. (excluding non-residents in Japan; hereinafter, the Directors and the Executive Officers, etc. are collectively referred to as the "Director(s), etc.").

(i) Outline of the Plan

The Plan is a stock compensation plan for the Company's Directors, etc. where the Company shares and cash equivalent to the conversion value of the Company shares (the "Company Shares, etc.") are delivered or paid (the "Delivery, etc.") based on the achievement level of performance targets of the Medium-term Management Plan of the Company. The Company entrusts money to a trust bank in advance to acquire the Company's shares to be delivered, and the trust bank uses the cash to acquire the Company's shares. Furthermore, points are granted to Directors, etc. based on the share delivery rules established separately, and the Company shares, etc. are delivered to Directors, etc. based on such points. The initial trust term shall be approximately three years from August 2023 to August 2026 (planned), corresponding to the period of the Medium-term Management Plan, and the maximum amount of trust money contributed by the Company to the trust in the initial trust term shall be ¥2.4 billion.

Class of Trust	Monetary trust other than a specified solely administered monetary trust (third-party benefit trust)
Purpose of Trust	Granting of incentives to Directors, etc.
Settlor	The Company
Trustee	Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries	Directors, etc. (including retired individuals) who fulfill the beneficiary requirements
Trust Administrator	A third party who has no interest in the Company
Date of Change in Trust Agreement	August 15, 2023 (The Company inherited an agreement concluded by the former Hitachi Capital Corporation, and has changed the contents.)
Trust Period	August 15, 2023 to August 31, 2026 (planned)
Date of Commencement of the Plan	August 15, 2023
Exercise of Voting Rights	Voting rights will not be exercised
Class of Shares Acquired	Common Shares of the Company
Method of acquiring Shares	Acquisition in the stock market
Rights Holder	The Company
Residual Assets	As the rights holder, the Company may receive residual assets to the extent of the trust's reserves.

(ii) Total Number of Shares of which Delivery, etc. to the Directors, etc. will be conducted

4,650 thousand shares (maximum number for the three years)

(iii) Scope of Persons who can receive Beneficiary Rights and other Rights under the Plan

Of the Directors, etc., persons who meet the beneficiary requirements separately stipulated in the company rules on the regulations for share delivery

2 Acquisitions, etc. of Treasury Shares

Class of Shares, etc.- Acquisition of shares of common shares pursuant to Article 155, Item 7 of the Companies Act

(1) Acquisitions by a Resolution of the General Meeting of Shareholders

Not applicable.

(2) Acquisitions by a Resolution of the Board of Directors

Not applicable.

(3) Acquisitions Not based on a Resolution of the General Meeting of Shareholders or the Board of Directors

Category	Number of Shares (Shares)	Total Amount (Yen)
Treasury Shares Acquired during the Fiscal Year under Review	377	387,500
Treasury Shares Acquired during the Period	119	118,831

(Note) The treasury shares acquired during the period do not include shares purchased for fractional shares from June 1, 2025 until the date of submission of this Annual Securities Report.

(4) Disposals or Holding of Acquired Treasury Shares

Category	During the Fiscal Year under Review		During the period	
	Number of Shares (Shares)	Total Disposal Amount (Yen)	Number of Shares (Shares)	Total Disposal Amount (Yen)
Acquired Treasury Shares that were offered to Subscribers for Subscription	–	–	–	–
Acquired Treasury Shares that were canceled	–	–	–	–
Acquired Treasury Shares that were transferred due to Merger, Exchange of Shares, Issue of Shares or Corporate Split	–	–	–	–
Others (Note 1)	981,410	1,093,865	41,700	41,700
Number of Treasury Shares held	28,823,521	–	28,781,940	–

(Notes) 1. The breakdown of the disposal of treasury shares acquired during the fiscal year under review is due to the exercise of share acquisition rights (number of shares: 981,300 shares, total disposal price: ¥981,300) and the sale of shares constituting less than one unit (number of shares: 110 shares, total disposal price: ¥112,565). In addition, the disposal of treasury shares acquired during the period is due to the exercise of share acquisition rights.

2. The number of treasury shares to be disposed of during the period does not include the sale of shares constituting less than one unit and the exercise of share acquisition rights from June 1, 2025 to the submission date of this Annual Securities Report.

3. The number of treasury shares held during the period does not include any increase or decrease due to the purchase or sale of shares constituting less than one unit and the exercise of share acquisition rights from June 1, 2025 to the submission date of this Annual Securities Report.

3 Dividend Policy

The Company's basic policy is to return profits to shareholders through dividends.

The Company's basic policy is to pay dividends of surplus twice a year, consisting of an interim dividend and a year-end dividend.

Pursuant to Article 459, Paragraph 1 of the Companies Act, the Company's Articles of Incorporation stipulate that dividends of surplus may be paid by resolution of the Board of Directors.

The Company is subject to consolidated dividend regulations.

As stated in "(4) Target Performance Indicators, 1. Management Policy, Business Environment and Tasks Ahead, etc., Item 2. Business Overview," a medium-term target level for the payout ratio shall be 40% or more for the three-year period from fiscal 2023 (the fiscal year ended March 31, 2024), the period covered by the Medium-term Management Plan (2025 MTMP). We will increase the total amount of dividend payment through profit growth.

The Company will make effective use of retained earnings for future management by allocating it to funds for the purchase of high-quality operating assets.

Dividends of surplus for the fiscal year under review are as follows.

Date of Resolution	Total Dividend Amount (Millions of Yen)	Dividend per Share (Yen)
November 14, 2024 Board of Directors' Resolution	28,753	20.00
May 21, 2025 Board of Directors' Resolution	28,761	20.00

4 Corporate Governance, etc.

(1) Overview of Corporate Governance

(i) Basic Views on Corporate Governance

While emphasizing initiatives to achieve sustainable corporate growth and improvement in corporate value over the medium to long term, the Company aspires to contribute to a more prosperous society by respecting the rights and interests of all of its stakeholders—shareholders, customers, local communities, and employees—and fulfilling their trust in the Company, based on the views presented below. With the recognition that it is one of its social responsibilities to ensure transparent and sound management, the Company continues to work on initiatives to enhance corporate governance by boosting the activity of the Board of Directors, reinforcing the Audit & Supervisory Committee and the internal audit system, ensuring timely and appropriate disclosures of information, and actively engaging in investor relations (IR) and other activities.

Fostering Sound Corporate Culture

In accordance with Our Vision (Note 1), which guides all of the Company's activities, and the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct (Note 2), which serves as the standard for the decisions and behaviors of all employees, the Company strives to understand the diversity of its various stakeholders including shareholders, customers, local communities, and employees and foster a corporate culture that respects their rights and perspectives and sound business activities.

Ensuring Appropriate Information Disclosure and Transparency

The Company conducts proactive and continuous information disclosure in order to be trusted and properly evaluated by each of its stakeholders. It also establishes and appropriately operates internal systems to facilitate the swift and impartial disclosure of accurate information regarding its management policies, business strategies, business activities, financial condition, etc. In addition to the items, the Company is required to disclose pursuant to laws and regulations, it actively and voluntarily discloses non-financial information deemed useful to its stakeholders.

Ensuring the Rights and Equal Treatment of Shareholders

The Company takes appropriate steps to ensure that the rights of shareholders are secured and can be exercised effectively and all shareholders including minority shareholders and foreign shareholders are treated equally.

Constructive Dialogue with Shareholders

Through events such as General Meetings of Shareholders, financial results briefings, and other domestic and overseas investor relations events, the Company pursues proactive and constructive dialogue with diverse shareholders. It thereby seeks to gain understanding from shareholders regarding matters such as its business strategies and further enhance corporate governance through dialogue.

Ensuring Effectiveness of the Board of Directors

All members of the Board of Directors call upon their experience and insight as they engage in free and open discussions, supporting appropriate risk-taking. In this manner, they adequately fulfill their duties and responsibilities to achieve the sustainable growth of the Company, improvement in its corporate value over the medium to long term, enhancement of its capital efficiency and other figures, etc.

(Notes)
1. For more details on Our Vision, please visit the following website.
   https://www.mitsubishi-hc-capital.com/english/corporate/idea/index.html
2. For more details on Mitsubishi HC Capital Group Code of Ethics and Code of Conduct, please visit the following website.
   https://www.mitsubishi-hc-capital.com/pdf/sustainability/various_policies/ethics.pdf (in Japanese)

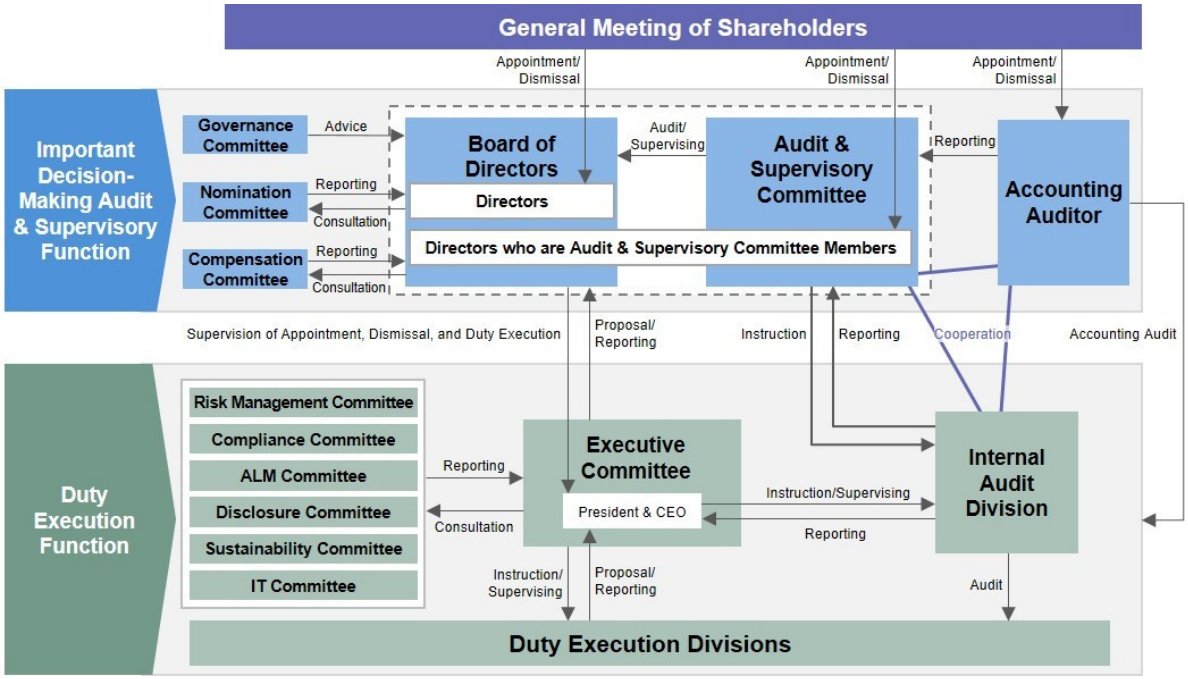
(ii) Corporate Governance System

a. Overview of Corporate Governance Systems

The Company is a company with an Audit & Supervisory Committee, and has established a Board of Directors to be responsible for important decision-making and supervisory functions, and an Audit & Supervisory Committee to be responsible for audit and supervisory functions.

In order to further enhance its corporate governance, the Company has also established a Nomination Committee and a Compensation Committee to serve as advisory bodies to designate the President & CEO and determine the remuneration, etc. of Directors. Further, the Company has established a Governance Committee, which consists of Outside Directors, Representative Directors, etc., to serve as an advisory body to the Board of Directors regarding the improvement of the effectiveness of the Board of Directors, etc.

Alongside adopting an executive officer system, the Company has established an Executive Committee to serve as a body for deliberation and decision-making on important management matters.



(i) Matters concerning the Board of Directors and the Audit & Supervisory Committee

The Company implements a system to manage and operate business in line with the basic policy of the Group decided by the Board of Directors. Each Director who participates in Board of Directors meetings has qualities appropriate for their positions, giving the Board of Directors a set of diversified and sufficient skills.

Each year, all Directors conduct a review of activities of the Board of Directors and evaluate its effectiveness. In addition, discussions attended only by independent Outside Directors and meetings for independent Outside Directors to exchange opinions with the Chairman and the President & CEO are held regularly, and in the event that an issue, etc. is raised there, it will be appropriately responded to and improved.

With the General Affairs Department serving as the secretariat for the Board of Directors, the Company is engaged in initiatives for stimulating discussions on important agenda items, such as (1) providing prior explanations, (2) securing enough time for deliberations, and (3) regularly confirming the progress of the items after decisions are made.

The Company provides briefings on matters including the corporate mission, business conditions, and corporate governance when Outside Directors assume their positions. In addition, all Directors are given information on training opportunities such as seminars held by external organizations on the latest corporate governance trends, digital transformation, and sustainability. The Company bears the full cost related to the training of Directors.

The Company has established an Audit & Supervisory Committee Office to assist with duties of Directors who are Audit & Supervisory Committee Members.

Please refer to “(3) Status of the Audit” in “4. Corporate Governance, etc.” in “Item 4. Status of Reporting Company” for matters concerning the Audit & Supervisory Committee.

Skills Required of the Company's Directors and Reasons for Selecting Each Skill

The Group has established Our 10-year Vision ("Together we innovate, challenge and explore the frontiers of the future") as a milestone toward the realization of its management philosophy. In working toward achieving this vision, we have revised the skills that the Board of Directors should possess, at the meeting held in April 2025, following the deliberation at the Governance Committee and the Nomination Committee.

We have selected the following nine skill items from the perspective of the three categories, overall management, revenue growth, strengthening corporate functions. Refer to the table below for the reasons for the selection.

Category	Skill	Reason for Selection
Matters Related to Overall Management	Corporate Management	➢ Achieving Our 10-Year Vision, which serves as a milestone toward realizing the Company's management philosophy, requires accurately identifying materiality (material issues) and addressing them through management initiatives. To that end, we believe it is essential to have the ability to boldly drive company-wide transformation, including SX (Note 1), DX (Note 2), and business portfolio transformation, as well as the ability to oversee these initiatives. We also believe it is essential to have the ability to build and promote systems that support sound corporate management rooted in compliance, as well as the ability to oversee these activities. (Notes) 1. Sustainability Transformation 2. Digital Transformation
	Finance	➢ We believe it is essential to have a deep understanding of the Company's business as a financial services provider, as well as deep insight into domestic and international finance, and the ability to apply that expertise to the promotion and oversight of the Company's management and business strategies.
	Global	➢ The Company operates a wide range of businesses globally, and we believe it is essential to have deep insight into global business, including cross-cultural and geopolitical considerations, as well as the ability to apply that insight to the promotion and oversight of management.
	Sustainability	➢ We believe it is essential to have the ability to promote and oversee sustainability management that balances the resolution of social issues with the sustainable enhancement of corporate value.
Matters Related to Revenue Growth	Sales/Marketing	➢ To strengthen earning power through a shift to high value-added businesses and the development of new businesses, we believe it is essential to have the ability to leverage sales and marketing capabilities to build and promote business strategies such as the evolution and layering of business models, as well as the ability to oversee these activities.
Matters Related to Strengthening Corporate Functions	IT/DX	➢ To realize the creation and enhancement of customer value through the use of data and digital technologies, we believe it is essential to have the ability to apply advanced knowledge of IT and digital transformation (DX) to management and its oversight.
	Finance/Accounting	➢ We believe that advanced expertise in accounting is essential to support the Company's globally developed business through effective management and oversight. Furthermore, to achieve sustainable growth, we believe it is essential to have the ability to promote and oversee a financial strategy that balances the three key elements of "financial soundness," "return on capital," and "growth potential."

		Risk Management/Legal Affairs	➢ We believe it is essential to have the ability to build and promote a risk management framework that supports growth strategies through enhanced risk control, as well as the ability to oversee these activities. Furthermore, we believe that advanced expertise in legal affairs is essential to identify key risks in business activities from a legal perspective and to apply that insight to management and its oversight.
		Human Resource Management	➢ We believe it is essential to have the ability to build and promote a human resources strategy that secures, develops, and utilizes talent in order to fulfill a “talent portfolio” that supports management strategy and to create a workplace that is both comfortable and motivating. This includes the ability to oversee such activities.

(ii) Matters concerning the Governance Committee, Nomination Committee, and Compensation Committee

The Company has established the Governance Committee, consisting of the Outside Directors, Representative Directors, etc., which exchanges a wide range of opinions on the improvement of the Board of Directors' effectiveness and other matters regarding the Board of Directors, in order to work on the improvement of the soundness, transparency, and fairness of management.

The Company has also established the Nomination Committee and Compensation Committee, of which independent Outside Directors comprise the majority, as advisory bodies to the Board of Directors. The members and chairperson of each committee shall be selected by the Board of Directors, and items discussed in the committees shall be resolved by a majority of committee members in attendance. It is stipulated in internal rules that the Board of Directors shall make decisions in deference to decisions made by the committees to the fullest extent possible. In addition, from the perspective of enhancing the independence and objectivity of the functions of the Board of Directors and its accountability, since April 1, 2025, the Company has assigned independent Outside Directors as the chairpersons of the committees.

The Nomination Committee discusses the appointment of Directors, the succession plan for the President & CEO, the knowledge, experience, skills, etc. that the Board of Directors should have, and other matters.

The Compensation Committee regularly monitor the Company's Directors' remuneration system in comparison with the market standard by using an external specialized agency, and discusses policies, concerning the systems, standards, etc. for officers' remuneration.

Skills Owned by Each Member of the Board of Directors and Committees as well as by Each Director

[As of the Date of Submission of this Annual Securities Report]

Name	Title	◎: Chairperson/Committee Chairperson, ○: Member				
		Board of Directors	Audit & Supervisory Committee	Governance Committee	Nomination Committee	Compensation Committee
Takahiro Yanai	Director, Chairman	◎		◎	○	
Taiju Hisai	Representative Director President & CEO	○		○		○
Aiichiro Matsunaga	Representative Director Deputy President	○		○		
Kazumi Anei	Director Deputy President	○				
Haruhiko Sato	Director Managing Executive Officer	○				
Yuri Sasaki	Director (Independent Outside Director)	○		○	○	○
Kayoko Kawamura	Director (Independent Outside Director)	○		○	○	○
Shota Kondo	Director (Outside Director)	○		○	○	○
Yoshitaka Shiba	Director (Audit & Supervisory Committee Member)	○	◎	○		
Hiroyasu Nakata	Director (Audit & Supervisory Committee Member) (Independent Outside Director)	○	○	○	○	◎
Hiroko Kaneko	Director (Audit & Supervisory Committee Member) (Independent Outside Director)	○	○	○	○	○
Masayuki Saito	Director (Audit & Supervisory Committee Member) (Independent Outside Director)	○	○	○	◎	○

Name	Title	●: Indicates possession of the skill								
		Corporate management	Finance	Global	Sustainability	Sales/ Marketing	IT/DX	Finance/ Accounting	Risk management/ Legal affairs	Human resource management
Takahiro Yanai	Director, Chairman	●	●	●	●	●		●	●	●
Taiju Hisai	Representative Director President & CEO	●	●	●	●	●		●	●	●
Aiichiro Matsunaga	Representative Director Deputy President	●	●	●	●	●			●	●
Kazumi Anei	Director Deputy President	●	●	●	●	●				
Haruhiko Sato	Director Managing Executive Officer	●	●	●	●			●		
Yuri Sasaki	Director (Independent Outside Director)		●							
Kayoko Kawamura	Director (Independent Outside Director)					●	●			
Shota Kondo	Director (Outside Director)	●		●	●	●				
Yoshitaka Shiba	Director (Audit & Supervisory Committee Member)	●	●			●		●	●	
Hiroyasu Nakata	Director (Audit & Supervisory Committee Member) (Independent Outside Director)								●	
Hiroko Kaneko	Director (Audit & Supervisory Committee Member) (Independent Outside Director)							●	●	
Masayuki Saito	Director (Audit & Supervisory Committee Member) (Independent Outside Director)	●		●	●			●	●	●

We have put forth a proposal: "Election of 8 (Eight) Directors (Excluding Directors who are Audit & Supervisory Committee Members)" as an item of agenda (matters for resolution) for the Annual General Meeting of Shareholders held on June 26, 2025. If this proposal is approved and adopted, the Board of Directors will select Representative Director, Chairperson of the Board of Directors, and Committee Chairpersons and members of Governance Committee, Nomination Committee and Compensation Committee in accordance with the matrix above. In addition, Audit & Supervisory Committee will select Chair of Audit & Supervisory Committee in accordance with the matrix above.

iii) Matters concerning Business Execution

As a company with an Audit & Supervisory Committee, the Company delegates business execution decisions to the Executive Committee, a body which will deliberate and decide on important management matters, within an appropriate scope, and expedites the decision-making process, in order to further strengthen the supervisory functions of the Board of Directors. In addition, the Company has adopted an executive officer system, in order to further enhance and invigorate the functions of the Board of Directors by clarifying the responsibilities related to the execution of business.

The Executive Committee is composed of the President & CEO, Deputy Presidents, and Executive Officers separately specified by the President & CEO. In principle, the committee deliberates on matters to be submitted to the Board of Directors in advance in order to facilitate decision-making by the Board of Directors, in addition to holding deliberations and making decisions on important matters, including the business management of the Group.

The number of Executive Officers as of the submission date of this Annual Securities Report is 26.

iv) Reasons for Adoption of Current Corporate Governance System

In order to enhance the transparency and fairness of management, strengthen the supervisory functions of the Board of Directors, and enhance corporate governance, the Company has adopted the structure of a company with an Audit & Supervisory Committee.

b. Status of Activities of the Board of Directors and each Committee (Frequency of Meetings, Specific Discussion Items, Attendance of Directors and Committee Members)

(i) Board of Directors

The meetings were held 14 times in fiscal year 2024, where important management matters such as the Medium-term Management Plan, major investment projects, business strategies of each business division, and IR activities were deliberated and decided. In addition, the rationality of cross-shareholdings was verified. Furthermore, the status of audit is reported from the Audit & Supervisory Committee in a timely manner.

Important policies and other matters are deliberated at the Board of Directors meetings. The content of matters deliberated by the Executive Committee and its advisory committees regarding risk management, compliance, sustainability, etc. is regularly reported to the Board of Directors.

Attendance at the Board of Directors meetings by Directors in fiscal year 2024 was as follows:

14/14 times (100%)	Takahiro Yanai, Taiju Hisai, Kazumi Anei, Haruhiko Sato, Yuri Sasaki, Hiroyasu Nakata, Hiroko Kaneko, Masayuki Saito
11/11 times (100%)	Aiichiro Matsunaga, Kayoko Kawamura, Yoshitaka Shiba (Note 1)
10/11 times (91%)	Shota Kondo (Note 1)

(Note) 1. Four Directors—Mr. Aiichiro Matsunaga, Ms. Kayoko Kawamura, Mr. Shota Kondo, and Mr. Yoshitaka Shiba—were appointed Directors at the Annual General Meeting of Shareholders held on June 25, 2024; therefore, the above shows their attendance after that date.

(ii) Governance Committee

Committee meetings were held nine times in fiscal year 2024, and conducted PDCA for effectiveness assessment by deliberating the manner of effectiveness assessment for the Board of Directors and the analysis of the assessment results. Also, various governance guidelines were comprehensively reviewed, issues at the Company were identified, and multifaceted discussions were held about the composition of the Board of Directors members, the expansion of the roles of Outside Directors, the improvement of the effectiveness of the Board of Directors, and other matters.

Attendance by Directors in fiscal year 2024 was as follows:

9/9 times (100%)	Takahiro Yanai, Taiju Hisai, Yuri Sasaki, Hiroyasu Nakata, Hiroko Kaneko, Masayuki Saito
7/7 times (100%)	Aiichiro Matsunaga, Kayoko Kawamura, Shota Kondo, Yoshitaka Shiba (Note 2)

(Note) 2. Four Directors—Mr. Aiichiro Matsunaga, Ms. Kayoko Kawamura, Mr. Shota Kondo, and Mr. Yoshitaka Shiba—joined the Governance Committee on June 25, 2024; therefore, the above shows their attendance after that date.

(iii) Nomination Committee

Committee meetings were held six times in fiscal year 2024, which deliberated the reappointment of the President & CEO, the revision of skills that the Board of Directors should possess (skill matrix), etc.

Attendance by Directors in fiscal year 2024 was as follows:

6/6 times (100%)	Takahiro Yanai, Yuri Sasaki, Hiroyasu Nakata, Hiroko Kaneko, Masayuki Saito
4/4 times (100%)	Kayoko Kawamura, Shota Kondo (Note 3)

(Note) 3. Two Directors—Ms. Kayoko Kawamura and Mr. Shota Kondo—joined the Nomination Committee on June 25, 2024; therefore, the above shows their attendance after that date.

(iv) Compensation Committee

Committee meetings were held five times in fiscal year 2024, which deliberated the policy, the system, and the level of officers' remuneration, evaluation system for officers' bonuses, and other matters.

Attendance by Directors in fiscal year 2024 was as follows:

5/5 times (100%)	Taiju Hisai, Yuri Sasaki, Hiroyasu Nakata, Hiroko Kaneko, Masayuki Saito
4/4 times (100%)	Kayoko Kawamura, Shota Kondo (Note 4)

(Note) 4. Two Directors—Ms. Kayoko Kawamura and Mr. Shota Kondo—joined the Compensation Committee on June 25, 2024; therefore, the above shows their attendance after that date.

c. Development of Risk Management System and Internal Control System

The Company has resolved to use a system for ensuring the propriety of business activities of the company (internal control system) as follows, in accordance with the Companies Act and other relevant laws and regulations.

Hereinafter, "the Group" refers to the Company and the Company's subsidiaries and affiliates, and "Group companies" refers to the Company's subsidiaries and affiliates.

In addition, the internal control system shall be applied to each Group company by making appropriate adjustments based on factors such as the business operations, scale, and importance of each Group company.

System for Group Management

(1) The Company shall establish the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct in order to share fundamental values and ethics to be embraced by all members of the Group and reflect them in business.

(2) The Company shall establish management manner between the Company and the Group companies, in order to ensure the propriety of the business activities of the Group companies, and establish internal rules to improve the management efficiency and corporate value of the Group as a whole, through the Group carrying out activities with a strong sense of unity.

(3) The Company shall require the Group companies to request prior approval or consultation or to provide reports regarding important management matters in line with internal rules in order to manage the Group appropriately. Thus, the Company shall manage the Group companies with responsible departments giving approval, implementing consultation, receiving reports, etc. in adherence to the allocation of duties.

(4) The Company shall establish management and operational manners for internal controls pertaining to the financial reports of the Group, and shall effectively develop and operate the internal controls of the Group as a whole, so that the Company's financial reports will be prepared appropriately, in accordance with the provisions of the Financial Instruments and Exchange Act.

Risk Management System

Company-wide Risk Management

(1) The Company shall establish a company-wide risk management system that is based on the policy of taking risks within the controlled scope decided by the Executive Committee, the Board of Directors, and other arms through overall understanding of the wide-ranging risks of the Group and sufficient consideration of potential risks estimated along with new operations. The company-wide risk management system aims to ensure sound management and contribute to sustainable improvement of corporate value, while performing its social responsibility as a company to stakeholders including clients, shareholders, employees and communities.

(2) The Company shall establish a base for the stable recording of returns corresponding to risk, achievement of an appropriate capital structure, and appropriate allocation of resources, by identifying and recognizing, evaluating and measuring, controlling, monitoring, and reporting the risks of the Group as well as conducting integrated risk management and ongoing operations.

(3) The Company shall classify the major risks of the Group as follows according to the characteristics of its businesses, operations, etc., and establish risk management manners, operations, and the like.

i) Credit risks
ii) Asset risks
iii) Investment risks
iv) Market risks
v) Liquidity risks
vi) Country risks
vii) Operational risks

(4) Group companies shall understand the Group's overall risks that can be reasonably evaluated and measured quantitatively. The Company shall discuss risk capital management as necessary and on a regular basis and take actions for its implementation, monitoring, etc.

(5) The Company shall establish internal rules that state, among other matters, the Group's basic policies for risk management and risk management frameworks and operations. The Group companies shall also prepare internal rules that state, among other matters, the risk management frameworks and operations.

(6) The Company shall establish an Executive Officer and a department in charge of company-wide risk management, respectively, and hold Risk Management Committee meetings related to the integrated risk management of the Group as necessary and on a regular basis. Reports to the Risk Management Committee shall be made on major risks of the Group's business, and other risk management-related matters concerning financial markets, liquidity, compliance, systems, IT, etc. provided from the committees and internal audits.

(7) The Company shall request the Group companies to report important risk-related matters and compile information that is necessary for company-wide risk management. Then, reports shall be made to the Board of Directors on the current situation, issues and measures to be taken as necessary, etc., and the Board of Directors shall supervise integrated risk management and operations.

<Crisis Management>

(1) The Company shall clarify the Group's basic approach to and criteria for responding to crisis events and sharing them with the Group companies in order to prepare for situations such as huge financial losses, loss of credibility, and excessive delay or prolonged suspension of business at the Group. Also, the Company shall establish the systems necessary to ensure the continuation of overall business operations and restoration of normal functions, perform its social responsibility, and minimize the Group's losses.

(2) The Company shall, during normal times, designate departments to respond to potential emergency events according to its nature and establish a response system according to risk stage. The Company shall establish internal rules that are necessary in an emergency for information collection, internal collaboration, and implementation of measures for business continuation and recovery. The Group companies shall establish their own internal regulations, etc.

Compliance System

(1) The Company shall establish the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct in order to share fundamental values and ethics to be embraced by all members of the Group and reflect them in business.

(2) The Company shall establish a system for ensuring that the officers and employees of the Group comply with laws and regulations and the Articles of Incorporation, by establishing and announcing internal rules and the Compliance Manual.

(3) The Company shall establish the Compliance Committee, which deals with establishment, maintenance, management, etc., of the Group's compliance system, in addition to the Chief Compliance Officer (Head of Risk Management Division), who is responsible for the compliance of the Group, and the Legal & Compliance Department, which is tasked with enforcing compliance.

The Group companies shall, if there are any legal risks, etc. inherent to the business activities of such company, cooperate with the Company as necessary, and develop an appropriate compliance system.

(4) The Company shall formulate compliance programs (specific plans to ensure that the officers and employees of the Group comply with laws and regulations, etc., including education for the Group's officers and employees) and monitor how the Group's officers and employees are working on those programs.

(5) The Company shall establish the Compliance Hotline System as an internal whistleblowing system under which the Group's officers, employees, etc., can report to or seek consultations with the Company regarding unfair practices and other conduct. The Company shall not treat disadvantageously persons who have made reports merely because they made those reports using an internal whistleblowing system. The Company shall clarify this in its internal rules, etc. and fully inform all officers and employees through internal training and on other occasions.

(6) The Group shall take a resolute stance against anti-social forces, which threaten the peace and stability of civil society, and work to prevent transactions with such forces.

(7) The Company shall be aware of the possibility that funds transacted through the Group may be used for various criminal activities and/or terrorism, and shall work to prevent money laundering.

Information Management System

(1) The Company shall appropriately handle information assets held by the Group, and establish and manage necessary systems, etc. for the maintenance and enhancement of information security.

(2) The Company shall establish management measures required for the protection of information held by the Company and internal regulations, etc. that stipulate the method and term of storing documents, etc. and matters related to the response to information security incidents, etc. The Group companies shall establish and manage their own internal regulations, etc. within each company.

Information Disclosure System

(1) The Group shall establish internal rules for appropriately disclosing information regarding decisions and occurrences concerning the Group in a timely manner, in accordance with accounting standards and other relevant laws and regulations. The Group companies shall cooperate with the Company as necessary.

(2) The Company shall establish a Disclosure Committee for deliberating on the appropriateness of information disclosures regarding the Group and the effectiveness of internal controls and procedures related to information disclosures, among other matters.

Internal Audit System

(1) The Company shall establish internal rules to smoothly and effectively promote audit activities by clarifying procedures for planning, implementing, and reporting internal audits and providing instructions for improvement within the Group.

(2) The Company shall establish the Internal Audit Department as a department in charge of internal audits. The Internal Audit Department shall systematically implement internal audits related to the Group based on an annual audit plan and report the audit results to the Representative Directors, Board of Directors, and Audit & Supervisory Committee. With regard to findings that require improvement, for which guidance was provided to the departments subject to audits (important findings), those departments, after taking improvement measures, are made to report the results to the General Manager of the Internal Audit Department. The results for important findings are to be reported by the Internal Audit Department to the Representative Directors, in order to ensure the effectiveness of the audit.

(3) The General Manager of the Internal Audit Department of the Company shall build collaborative relationships with the Company's Audit & Supervisory Committee, and the auditors, accounting auditors, etc. of the Group companies on a regular basis and as necessary, such as by exchanging relevant information with them, and shall work to ensure the efficient implementation of the audit.

Framework for Ensuring the Efficient Execution of Duties

(1) The Company shall set management targets for the Group and draw up management plans to manage business based on appropriate manners. The Group companies shall conduct business management based on appropriate manners, based on the Group's management targets and management plans.

(2) The Company shall establish the Executive Committee, a body which will deliberate and decide on important matters, and the Board of Directors shall delegate the business execution decisions to the Executive Committee in an appropriate manner. The Executive Committee will hold discussions and make decisions on important matters, including the business management of the Group, in addition to conducting preliminary deliberations of matters that are to be submitted to the Board of Directors to facilitate decision-making by the Board of Directors. In addition, various committees shall be established as advisory bodies to the Executive Committee.

(3) In order to efficiently conduct the execution of duties based on the decisions of the Board of Directors, the Company shall build an organizational structure, etc., in accordance with the internal rules, and shall assign the execution of duties. The Group companies shall provide appropriate cooperation such as reports to and consultations with the Company on necessary matters pursuant to the internal rules.

Other Matters Related to the Execution of Duties by Directors

(Framework for ensuring that the execution of duties by Directors complies with laws, regulations, and the Articles of Incorporation, framework for retention and management of information, and framework for reports to the Company of matters related to the execution of duties by subsidiaries' Directors)

(1) The Company shall establish the Executive Committee to deliberate and decide on important management matters. The Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee shall attend the meeting and confirm the details of the deliberation.

(2) The Company shall clearly define the authority and responsibilities of the Board of Directors and Directors regarding material decision-making matters including compliance management, as well as matters decided at the discretion of the Board of Directors.

(3) Board of Directors shall receive and confirm reports of material information related to the execution of duties by Executive Directors, and utilize an internal whistleblowing system through reports made at the Compliance Committee, etc.

(4) The Company shall retain and manage material documents and other data related to the execution of duties by Directors pursuant to the provisions of the internal rules.

(5) The Company shall request application for prior approval or consultation, provision of reports, etc. regarding matters related to the execution of duties by directors of the Group companies pursuant to the provisions of the internal rules.

Framework Concerning Employees Who Assist with Duties of the Audit & Supervisory Committee

(1) The Company shall establish an Audit & Supervisory Committee Office to assist with duties of the Audit & Supervisory Committee.

(2) The Company shall allocate employees to assist with duties of the Audit & Supervisory Committee to the Audit & Supervisory Committee Office.

(3) The above employees shall not be subject to the directions and instructions of Directors excluding Directors who are Audit & Supervisory Committee Members.

(4) When implementing personnel transfers or disciplinary action for the above employees, the consent of the Audit & Supervisory Committee shall be obtained. When determining performance evaluation, remuneration, etc. for those employees, the consent of the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee shall be obtained.

(5) Executive Directors shall cooperate in developing working environments and other relevant conditions so that the above employees can assist with duties of the Audit & Supervisory Committee smoothly.

Framework for Reporting to the Audit & Supervisory Committee

(1) Directors, Executive Officers and other relevant executives, and employees must report the following matters without delay to the Audit & Supervisory Committee or the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee:
   1. when they discover any facts that are likely to cause significant damage (including loss of credit) to the Company or when significant damage occurs, they shall immediately report to that effect (including matters concerning material lawsuits);
   2. the status of whistleblowing through an internal whistleblowing system developed by Directors;
   3. the status of management concerning elimination of transactions, and blocking of relationships, with anti-social forces; and
   4. other matters that the Audit & Supervisory Committee requests to be reported.

(2) Directors, auditors, and employees of subsidiaries or persons who receive reports from any of those persons must report to the Audit & Supervisory Committee or the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee without delay, if any of the matters set forth in the preceding paragraph occurs.

(3) Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee shall cooperate closely with the auditors of Group companies and other relevant persons, through right means such as exchanging information necessary for the execution of duties.

(4) If required by the Audit & Supervisory Committee, Directors, Executive Officers and other relevant executives and employees must attend the Audit & Supervisory Committee meeting and explain matters with necessary materials. In addition, they have a similar duty to explain if required by the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee.

(5) The Company shall not treat the persons who have made the reports under (1) to the Audit & Supervisory Committee or any Audit & Supervisory Committee Members disadvantageously, just because they made those reports.

Matters concerning Policies regarding the Expenses or Liabilities Arising from the Execution of Duties by the Audit & Supervisory Committee Members

(1) The Audit & Supervisory Committee Office shall promptly process expenses or liabilities when each Audit & Supervisory Committee Member makes requests with respect to the prepayment of expenses and other payments, except in cases where such requested expenses or liabilities are deemed to be clearly unnecessary for the execution of the duties of an Audit & Supervisory Committee Member.

Other Frameworks for Ensuring Effective Audits by the Company's Audit & Supervisory Committee Members

(1) The Audit & Supervisory Committee should create an opportunity to conduct interviews regularly with Directors, Executive Officers, and employees concerning the business, and regularly exchange opinions with each of them.

(2) The Audit & Supervisory Committee may request opinions from lawyers, the Accounting Auditor, etc. as necessary, for cases that require expertise.

(3) The Audit & Supervisory Committee shall enhance the effectiveness of audits by receiving an audit plan and an audit implementation report from the Accounting Auditor and regularly exchanging opinions with them, as well as collecting information and improving the audit environment in collaboration with the Internal Audit Department and other departments responsible for internal control.

(4) An employee who is selected by the Audit & Supervisory Committee to assist the duties of an Audit & Supervisory Committee Member and the duties of the Audit & Supervisory Committee may attend the Executive Committee, committees and other important meetings and make necessary statements at such places, and view important documents.

(5) An Audit & Supervisory Committee Member selected by the Audit & Supervisory Committee should request that the Company and its subsidiaries report on its business, or investigate the situation of the duties and properties, and the Company and its subsidiaries should cooperate with this.

(6) The Internal Audit Department should make a report to the Audit & Supervisory Committee regarding the internal audit plan, internal audit result, and the amendment and abolition of the important rules related to internal audit, and should respond to requests by the Audit & Supervisory Committee in relation to information provision, investigation, and report.

(7) Directors, Executive Officers, and employees should provide the necessary cooperation for the execution of duties of the Audit & Supervisory Committee, based on the Audit & Supervisory Committee Regulations, standards for audit,

etc. of the Audit & Supervisory Committee, and standards for the Audit & Supervisory Committee to conduct an audit regarding an internal control system.

d. Overview of limited Liability Agreements and Directors and Officers Liability Insurance Agreements

(i) Limited Liability Agreements

The Company has entered into limited liability agreements with non-Executive Directors, namely Takahiro Yanai, Yuri Sasaki, Kayoko Kawamura, Shota Kondo, Yoshitaka Shiba, Hiroyasu Nakata, Hiroko Kaneko, and Masayuki Saito, as described below.

・In the event that a non-executive Director is liable to the Company as a result of negligence in their duties, that liability shall be limited to the minimum liability set forth in Article 425, Paragraph 1 of the Companies Act.

・The above limitation is recognized only when the non-Executive Director performed the duty in question in good faith and without gross negligence.

(ii) Directors and Officers Liability Insurance Agreements

The Company plans to enter into a directors and officers liability insurance agreement as provided for in Article 430, Paragraph 3, Item 1 of the Companies Act with an insurance company. The agreement will cover losses incurred from damages compensation, legal fees, etc. in cases where an insured receives a claim for damages from a shareholder or third party. In addition, as a measure to ensure that the lawfulness of the execution of duties of the insured person is not compromised, the following losses, etc. are excluded from coverage.

1) Damage arising from the fact that the insured illegally obtains private gain or benefit
2) Damage arising from criminal acts of the insured
3) Damage arising from the insured's acts committed with the knowledge that they violate laws or regulations

The insureds under this agreement are the Directors, Directors who are Audit & Supervisory Committee Members, Audit & Supervisory Board Members, and Executive Officers, etc. of the Company and its subsidiaries in Japan.
There is no insurance premium to be paid by the insureds.

(iii) The Contents of the Articles of Incorporation that provide for a fixed Number of Directors or Restrictions on the Qualifications of Directors, or make Special Provisions which differ from those of the Companies Act with Respect to the Requirements for a Resolution on the Appointment and Dismissal of Directors

The Company's Articles of Incorporation stipulate the following regarding the fixed number of Directors and the resolution for their election.

a. Fixed Number of Directors
The Articles of Incorporation stipulate that the Company shall have no more than 22 Directors (of these, no more than seven Directors are Audit & Supervisory Committee Members).

b. Requirements for Resolution on Election of Directors
The Company's Articles of Incorporation stipulate that a resolution for the election of Directors shall be adopted by a majority of the votes of shareholders present at the meeting who hold at least one-third of the voting rights of shareholders entitled to exercise voting rights.
In addition, the Articles of Incorporation also stipulate that resolution for the election of Directors shall not be made by cumulative voting.

(iv) Matters and Reasons if it has been decided that the Matters for Resolution of a General Meeting of Shareholders may be resolved by a Board of Directors Meeting; Matters and Reasons if it is stipulated in the Articles of Incorporation that the Matters for Resolution of a Board of Directors Meeting may not be resolved by a General Meeting of Shareholders; and Contents and Reasons if the Requirements for Special Resolution of a General Meeting of Shareholders have been changed

a. Decision-Making Body for Dividends of Surplus, etc.
The Company's Articles of Incorporation stipulate that, except as otherwise provided for by laws and regulations, the matters including dividends of surplus set forth in each item of Article 459, Paragraph 1 of the Companies Act shall be determined by resolution of the Board of Directors without a resolution of the General Meeting of Shareholders. This is for the purpose of flexibly returning profits to shareholders by making dividends of surplus, etc. with the authority of the Board of Directors.

b. Decision-Making Body for Acquisition of Treasury Shares

The Company's Articles of Incorporation stipulate that, in accordance with Article 165, Paragraph 2 of the Companies Act, the Company may acquire its treasury shares through market transactions or other means by resolution of the Board of Directors in order to implement capital policies quickly.

c. Exemption of Directors, etc. from Liability

In accordance with Article 426, Paragraph 1 of the Companies Act, the Company's Articles of Incorporation stipulate that the Company may, by resolution of the Board of Directors, exempt Directors (including a person who was a Director) from liability for damages under Article 423, Paragraph 1 of the Act, to the extent of the minimum liability amount stipulated by laws and regulations, in order to develop an environment in which Directors can fully exercise their abilities and perform their expected roles.

In addition, as a transitional measure in connection with the management integration of the Company and Hitachi Capital Corporation, the Company's Supplementary Provisions of its Articles of Incorporation stipulate that the Company may, pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, exempt executive officers (including persons who were executive officers) of the absorbed company in an absorption-type merger with the Company as the surviving company and Hitachi Capital Corporation as the absorbed company, from liability for damages prior to the taking effect of the merger under Article 423, Paragraph 1 of the Companies Act, by a resolution of the Board of Directors, to the extent permitted by laws and regulations.

d. Requirements for Special Resolution of Shareholders' Meeting

The Company's Articles of Incorporation stipulate that the adoption of a special resolution of a shareholders' meeting, provided for in Article 309, Paragraph 2 of the Companies Act, shall require at least two-thirds of the votes of shareholders present at the meeting who hold at least one-third of the voting rights of shareholders entitled to exercise voting rights. The purpose of this is to ensure smooth management of the General Meeting of Shareholders by relaxing the quorum for special resolutions at the General Meeting of Shareholders.

(2) Directors of the Company

(i) Directors and Executive Officers

a. The status of Directors as of the submission date of this Annual Securities Report is as follows:

Male: 9, Female: 3 (Ratio of female officers: 25.0%)

Title	Name	Date of Birth	Career Summary		Term	Number of shares held (Shares)
Director, Chairman	Takahiro Yanai	May 4, 1958	April 1982	Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)	(Note)4	26,500
			May 2012	Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) In charge of CIB (Corporate Investment Banking) and Secondarily in charge of Market Sales Division of BTMU Managing Officer, Deputy Group Head, Integrated Trust Assets Business Group, Deputy Group Head, Integrated Corporate Banking Business Group, and Head of the Corporate & Investment Banking Planning Division of Mitsubishi UFJ Financial Group, Inc. (MUFG)		
			June 2015	Managing Director, Chief Executive, Retail Banking Business Unit of BTMU Managing Executive Officer, Group Head, Integrated Retail Banking Business Group of MUFG		
			May 2016	Senior Managing Executive Officer, Group Head, Transaction Banking Group of BTMU		
			June 2017	President & CEO of Mitsubishi UFJ Lease & Finance Company Limited (MUL) (currently the Company) Concurrently served as Executive Officer of MUL		
			April 2021	Representative Director, President & CEO of the Company		
			April 2023	Director, Chairman of the Company (incumbent)		

Title	Name	Date of Birth	Career Summary		Term	Number of shares held (Shares)
Representative Director President & CEO	Taiju Hisai	April 27, 1962	April 1985	Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)	(Note)4	6,700
			July 2011	General Manager, Corporate Investment Banking Division for the Americas, Headquarters for the Americas of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) (currently MUFG Bank, Ltd.) Concurrently served as President of BTMU Leasing & Finance, Inc.		
			July 2012	General Manager, Corporate Banking Division for Europe, Middle East and Africa, Headquarters for Europe, Middle East and Africa of BTMU Concurrently assigned to BTMU (Europe) Limited		
			June 2014	Executive Officer and General Manager, Corporate Banking Division for Europe, Middle East and Africa, Headquarters for Europe, Middle East and Africa of BTMU Concurrently assigned to BTMU (Europe) Limited		
			September 2014	Executive Officer, Regional Executive for India Concurrently served as Deputy General Manager, Corporate Banking Division for Asia and Oceania, Headquarters for Asia and Oceania of BTMU		
			May 2016	Managing Executive Officer, in charge of Credit of BTMU		
			April 2018	Managing Executive Officer and Group Head, Corporate Banking Group No. 1 of MUFG Bank, Ltd. (MUFG Bank)		
			April 2019	Senior Managing Executive Officer and Group Head, Corporate Banking Group No. 1 of MUFG Bank		
			June 2021	Deputy President of the Company Concurrently served as Executive Officer of the Company		
			June 2022	Director, Deputy President of the Company Concurrently served as Executive Officer of the Company		
			April 2023	Representative Director, President & CEO of the Company (incumbent) Concurrently serves as Executive Officer of the Company (incumbent)		

Title	Name	Date of Birth	Career Summary		Term	Number of shares held (Shares)
Representative Director Deputy President	Aiichiro Matsunaga	March 14, 1963	April 1986	Joined Mitsubishi Corporation	(Note)4	5,800
			May 2013	General Manager, Power Systems International Dept., New Energy & Power Generation Div. of Mitsubishi Corporation		
			October 2013	General Manager, Power Systems International Dept., New Energy & Power Generation Div. of Mitsubishi Corporation (Concurrently) Executive Vice President of Mitsubishi Corporation Machinery, Inc.		
			March 2014	Global Environmental & Infrastructure Business Group CEO Office of Mitsubishi Corporation		
			April 2014	President, Mitsubishi Corporation do Brasil, S.A., Sao Paulo (Concurrently) Deputy Regional CEO, Latin America and the Caribbean (Concurrently) General Manager, Asuncion Liaison Office		
			April 2017	Senior Vice President (Riji) of Mitsubishi Corporation Regional CEO, Latin America and the Caribbean, Sao Paulo, Brasil (Concurrently) President, Mitsubishi Corporation do Brasil, S.A. (Concurrently) General Manager, Asuncion Liaison Office		
			April 2018	Senior Vice President (Shikko-Yakuin) of Mitsubishi Corporation Regional CEO, Latin America and the Caribbean, Sao Paulo, Brasil (Concurrently) President, Mitsubishi Corporation do Brasil, S.A. (Concurrently) General Manager, Asuncion Liaison Office		
			April 2019	Executive Vice President, Group CEO, Industrial Infrastructure Group of Mitsubishi Corporation		
			April 2022	Executive Vice President, Group CEO, Power Solution Group, and Power & Retail DX Task Force Leader of Mitsubishi Corporation		
			July 2022	Executive Vice President, Group CEO, Power Solution Group of Mitsubishi Corporation		
			April 2024	Deputy President of the Company Concurrently served as Executive Officer of the Company		
			June 2024	Representative Director, Deputy President of the Company (incumbent) Concurrently serves as Executive Officer of the Company (incumbent)		

Title	Name	Date of Birth	Career Summary	Term	Number of shares held (Shares)
Director Deputy President	Kazumi Anei	September 18, 1960	April 1985 Joined Hitachi Leasing Corp. (currently the Company) April 2003 General Manager of Sales Dept. II, Kansai Corporate Sales Branch, Kansai Sales Division of Hitachi Capital Corporation (Hitachi Capital) April 2005 Head of Kansai Corporate Sales Branch, Kansai Sales Division of Hitachi Capital April 2010 Head of Kanagawa Sales Division of Hitachi Capital April 2014 Corporate Officer, Head of Corporate Business Division, and Co-Head of Account Sales Promotion Division of Hitachi Capital April 2016 Executive Officer, Head of Corporate Business Division, Corporate Sales & Marketing Group, and Head of Service Business Division of Hitachi Capital April 2018 Vice President and Executive Officer, Co-Head of Corporate Sales & Marketing Group, in charge of Japan, and Head of Environment and Energy Business, Corporate Business Division, Customer E&E Business Division of Hitachi Capital April 2020 Senior Vice President and Executive Officer, Chief Marketing Officer, and Head of Business Enhancement Division (in charge of Europe and the Americas) of Hitachi Capital April 2021 Director, Senior Managing Executive Officer of the Company May 2021 Director, Deputy President of the Company (incumbent) Concurrently serves as Executive Officer of the Company (incumbent) *CMO: Chief Marketing Officer	(Note)4	61,300
Director Managing Executive Officer	Haruhiko Sato	June 19, 1965	April 1989 Joined Mitsubishi Corporation November 2002 Mitsubishi International GmbH (based in Dusseldorf) January 2007 Finance Director, Moscow Office of Mitsubishi Corporation April 2009 Treasurer Office of Mitsubishi Corporation April 2011 Deputy General Manager, Structured Finance, M&A Advisory Dept. of Mitsubishi Corporation March 2014 Senior Vice President, Corporate Staff Section and CFO* of Mitsubishi Corporation (Americas) April 2019 General Manager, Power Solution Administration Department of Mitsubishi Corporation April 2021 Director, Managing Executive Officer of the Company (incumbent) *CFO: Chief Financial Officer	(Note)4	0

Title	Name	Date of Birth	Career Summary	Term	Number of shares held (Shares)
Director (Independent Outside Director)	Yuri Sasaki	May 26, 1967	April 1995 Assistant at Hitotsubashi University (Faculty of Commerce and Management) April 1998 Assistant Professor of Faculty of Commerce, Takachiho University of Commerce (current Takachiho University) April 2001 Assistant Professor of Faculty of Economics, Meiji Gakuin University April 2006 Visiting Scholar at University of Washington April 2007 Professor of Faculty of Economics, Meiji Gakuin University (incumbent) June 2014 Director of JBA TIBOR Administration January 2015 Expert Committee Member of Financial System Council of Financial Services Agency November 2015 Visiting Scholar at University of Washington June 2018 Director of Hitachi Capital Corporation (currently the Company) April 2020 Dean of Faculty of Economics, Meiji Gakuin University April 2021 Director of Mitsubishi HC Capital Inc. (the Company) (incumbent) July 2022 Director of Meiji Yasuda Life Insurance Company (incumbent)	(Note)4	1,400
Director (Independent Outside Director)	Kayoko Kawamura	July 12, 1964	April 1987 Joined IBM Japan, Ltd. August 1999 Executive Assistant to the GM of Global Services, IBM Asia Pacific and Japan January 2006 Manager, Global Delivery Solution of IBM Japan, Ltd. April 2008 Director, Head of Open System Development of IBM Japan, Ltd. July 2009 Director, Head of Financial Service Delivery Application Management Service Delivery of IBM Japan, Ltd. March 2010 Director (non-executive), Regional Bank Solution and Services Co., Ltd. Director (non-executive), IBM Global Services Japan Collaboration Solutions and Services Company (both until March 2015) January 2012 Director, Head of Application Management Service Delivery of IBM Japan, Ltd. March 2012 Director (non-executive), D&I Information Systems Inc. Director (non-executive), MLI Systems Inc. (both until March 2015) July 2016 Director, IBM Japan, Ltd. In charge of sales, Technology Support Services Business January 2019 Director, Head of Business Consulting of Teradata Japan, Ltd. April 2021 Director, Head of Business Consulting, Executive Officer of Teradata Japan, Ltd. July 2021 Senior Director, Customer Support Services, Executive Officer of Teradata Japan, Ltd. (incumbent) June 2024 Director of the Company (incumbent) June 2025 Director of Rakuten Bank, Ltd. (incumbent)	(Note)4	400

Title	Name	Date of Birth	Career Summary	Term	Number of shares held (Shares)
Director (Outside Director)	Shota Kondo	September 27, 1967	April 1991 Joined Mitsubishi Corporation May 2013 General Manager, Russia Business Dept., Natural Gas Business Div. of Mitsubishi Corporation April 2016 General Manager, Shale Gas Business Dept., Natural Gas Business Div. of Mitsubishi Corporation April 2017 General Manager, Canada Oil & Gas Business Dept., Energy Resources Div. B of Mitsubishi Corporation April 2019 General Manager, Houston Branch of Mitsubishi Corporation (Americas) (Concurrently) General Manager, Houston Branch of Mitsubishi International Corporation April 2020 General Manager, Natural Gas Group CEO Office of Mitsubishi Corporation April 2021 Senior Vice President, General Manager, Natural Gas Group CEO Office of Mitsubishi Corporation April 2022 Senior Vice President, General Manager, Corporate Strategy & Planning Dept. of Mitsubishi Corporation April 2024 Executive Vice President, Group CEO, Smart-Life Creation Group of Mitsubishi Corporation (incumbent) May 2024 Director of Lawson, Inc. (incumbent) June 2024 Director of OK Corporation (incumbent) June 2024 Director of the Company (incumbent)	(Note)4	0
Director (Audit & Supervisory Committee Member) (Full-time)	Yoshitaka Shiba	July 25, 1961	April 1986 Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.) May 2009 General Manager, Kibafukagawa Commercial Banking Office of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) May 2011 Deputy General Manager, Human Resources Division (Nagoya) of BTMU June 2012 Executive Officer and General Manager, Credit Division of The Bank of BTMU May 2014 Executive Officer and General Manager, Internal Audit & Credit Examination Division of BTMU May 2016 Managing Executive Officer, in charge of corporate banking offices and branches in Central Region of Japan of BTMU July 2018 Managing Executive Officer, Regional Head, Commercial Banking Offices and Branches in Central Region of Japan of MUFG Bank, Ltd. April 2020 Senior Managing Corporate Executive, Group CAO, and Managing Director, Head of Internal Audit Division of Mitsubishi UFJ Financial Group, Inc. April 2024 Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc. May 2024 Advisor of the Company June 2024 Director (Audit & Supervisory Committee Member) of the Company (incumbent)	(Note)5	1,700

Title	Name	Date of Birth	Career Summary		Term	Number of shares held (Shares)
Director (Audit & Supervisory Committee Member) (Independent Outside Director)	Hiroyasu Nakata	August 29, 1951	April 1977	Completed the legal apprentice course at the Legal Training and Research Institute of the Supreme Court of Japan Admitted to the bar (Daini Tokyo Bar Association) (until March 1990)	(Note)5	3,900
			April 1990	Associate Professor at Faculty of Law and Economics, Chiba University		
			June 1993	Professor at Faculty of Law and Economics, Chiba University		
			April 1995	Professor at Faculty of Law, Hitotsubashi University		
			April 1999	Professor of Graduate School of Law, Hitotsubashi University		
			April 2003	Trustee of Hitotsubashi University		
			April 2008	Professor at The University of Tokyo Graduate Schools for Law and Politics and The University of Tokyo Faculty of Law		
			April 2015	Emeritus Professor of Hitotsubashi University		
			April 2017	Professor at Waseda Law School		
			June 2017	Emeritus Professor of The University of Tokyo		
			June 2018	Audit & Supervisory Board Member of Mitsubishi UFJ Lease & Finance Company Limited (currently the Company)		
			April 2021	Director of the Company		
			June 2024	Director (Audit & Supervisory Committee Member) of the Company (incumbent)		
Director (Audit & Supervisory Committee Member) (Independent Outside Director)	Hiroko Kaneko	March 28, 1958	April 1980	Joined The Sapporo Television Broadcasting Co., Ltd.	(Note)5	3,900
			October 1989	Joined Ota Showa Audit Corporation (currently ERNST & YOUNG SHINNIHON LLC)		
			February 1993	Registered as certified public accountant		
			May 2007	Partner, ERNST & YOUNG SHINNIHON (currently ERNST & YOUNG SHINNIHON LLC)		
			July 2010	Senior Partner, ERNST & YOUNG SHINNIHON LLC		
			April 2018	Professor at Waseda Graduate School of Accountancy		
			June 2018	Audit & Supervisory Board Member, The Shoko Chukin Bank, Ltd.		
			June 2019	Director of Kanagawa Chuo Kotsu Co., Ltd.		
			June 2020	Audit & Supervisory Board Member of Mitsubishi UFJ Lease & Finance Company Limited (currently the Company)		
			February 2021	Member of Business Accounting Council, Financial Services Agency (incumbent)		
			April 2021	Director (Audit & Supervisory Committee Member) of the Company (incumbent)		
			March 2022	Member of the Board, The Yokohama Rubber Co., Ltd.		
			June 2022	Director (Audit & Supervisory Committee Member), Kanagawa Chuo Kotsu Co., Ltd.		
			June 2023	Audit & Supervisory Board Member of Development Bank of Japan Inc. (incumbent)		
			June 2023	Audit & Supervisory Board Member of Shin-Etsu Chemical Co., Ltd. (incumbent)		

Title	Name	Date of Birth	Career Summary		Term	Number of shares held (Shares)
Director (Audit & Supervisory Committee Member) (Independent Outside Director)	Masayuki Saito	November 8, 1954	April 1977	Joined Dainippon Ink and Chemicals, Incorporated (currently DIC Corporation)	(Note)5	3,900
			April 2008	Executive Officer and Head of Finance and Accounting Unit of DIC Corporation		
			June 2010	Director and Executive Officer, Head of Finance and Accounting Unit of DIC Corporation		
			April 2011	Director and Managing Executive Officer, Head of Finance and Accounting Unit of DIC Corporation		
			April 2012	Representative Director, Senior Managing Executive Officer, Assistant to the President and CEO, and Head of Finance and Accounting Unit of DIC Corporation		
			April 2013	Representative Director, Senior Managing Executive Officer, Assistant to President and CEO, and in Charge of Finance & Accounting Div. of DIC Corporation		
				Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.		
			January 2016	Representative Director, Executive Vice President, CFO, and Assistant to President and CEO of DIC Corporation		
				Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.		
			January 2020	Representative Director, Executive Vice President, and Assistant to President and CEO of DIC Corporation		
				Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.		
			January 2021	Chairman of the Board of Directors of DIC Corporation		
				Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.		
			June 2022	Director, Audit & Supervisory Committee Member of the Company (incumbent)		
			March 2024	Advisor of DIC Corporation (incumbent)		
Total						115,500

(Notes) 1. Directors who are not Audit & Supervisory Committee Members, Ms. Yuri Sasaki, Ms. Kayoko Kawamura and Mr. Shota Kondo are Outside Directors.

2. Directors who are Audit & Supervisory Committee Members, Mr. Hiroyasu Nakata, Ms. Hiroko Kaneko and Mr. Masayuki Saito are Outside Directors.

3. The Company has introduced an executive officer system, and has 26 Executive Officers (four of whom concurrently serve as Directors).

4. From the close of the Annual General Meeting of Shareholders held on June 25, 2024 to the close of the Annual General Meeting of Shareholders for the fiscal year ended March 31, 2025.

5. From the close of the Annual General Meeting of Shareholders held on June 25, 2024 to the close of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2026.

b. We have put forth a proposal: "Election of 8 (Eight) Directors (Excluding Directors who are Audit & Supervisory Committee Members)" as an item of agenda (matters for resolution) for the Annual General Meeting of Shareholders held on June 26, 2025. If this proposal is approved and adopted, the status of Directors of the Company will be as follows: This includes descriptions of the content (official titles or positions, etc.) of resolutions that will be put before the Board of Directors and the Audit & Supervisory Committee at the meeting scheduled immediately after the Annual General Meeting of Shareholders (If this proposal is approved and adopted at the General Meeting of Shareholders, there will be no change in the composition of Directors).

Male: 9, Female: 3 (Ratio of female officers: 25.0%)

Title	Name	Date of Birth	Career Summary		Term	Number of shares held (Shares)
Director, Chairman	Takahiro Yanai	May 4, 1958	April 1982	Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)	(Note)4	26,500
			May 2012	Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) In charge of CIB (Corporate Investment Banking) and Secondarily in charge of Market Sales Division of BTMU Managing Officer, Deputy Group Head, Integrated Trust Assets Business Group, Deputy Group Head, Integrated Corporate Banking Business Group, and Head of the Corporate & Investment Banking Planning Division of Mitsubishi UFJ Financial Group, Inc. (MUFG)		
			June 2015	Managing Director, Chief Executive, Retail Banking Business Unit of BTMU Managing Executive Officer, Group Head, Integrated Retail Banking Business Group of MUFG		
			May 2016	Senior Managing Executive Officer, Group Head, Transaction Banking Group of BTMU		
			June 2017	President & CEO of Mitsubishi UFJ Lease & Finance Company Limited (MUL) (currently the Company) Concurrently served as Executive Officer of MUL		
			April 2021	Representative Director, President & CEO of the Company		
			April 2023	Director, Chairman of the Company (incumbent)		

Title	Name	Date of Birth	Career Summary		Term	Number of shares held (Shares)
Representative Director President & CEO	Taiju Hisai	April 27, 1962	April 1985	Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)	(Note)4	6,700
			July 2011	General Manager, Corporate Investment Banking Division for the Americas, Headquarters for the Americas of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) (currently MUFG Bank, Ltd.) Concurrently served as President of BTMU Leasing & Finance, Inc.		
			July 2012	General Manager, Corporate Banking Division for Europe, Middle East and Africa, Headquarters for Europe, Middle East and Africa of BTMU Concurrently assigned to BTMU (Europe) Limited		
			June 2014	Executive Officer and General Manager, Corporate Banking Division for Europe, Middle East and Africa, Headquarters for Europe, Middle East and Africa of BTMU Concurrently assigned to BTMU (Europe) Limited		
			September 2014	Executive Officer, Regional Executive for India Concurrently served as Deputy General Manager, Corporate Banking Division for Asia and Oceania, Headquarters for Asia and Oceania of BTMU		
			May 2016	Managing Executive Officer, in charge of Credit of BTMU		
			April 2018	Managing Executive Officer and Group Head, Corporate Banking Group No. 1 of MUFG Bank, Ltd. (MUFG Bank)		
			April 2019	Senior Managing Executive Officer and Group Head, Corporate Banking Group No. 1 of MUFG Bank		
			June 2021	Deputy President of the Company Concurrently served as Executive Officer of the Company		
			June 2022	Director, Deputy President of the Company Concurrently served as Executive Officer of the Company		
			April 2023	Representative Director, President & CEO of the Company (incumbent) Concurrently serves as Executive Officer of the Company (incumbent)		

Title	Name	Date of Birth	Career Summary		Term	Number of shares held (Shares)
Representative Director Deputy President	Aiichiro Matsunaga	March 14, 1963	April 1986	Joined Mitsubishi Corporation	(Note)4	5,800
			May 2013	General Manager, Power Systems International Dept., New Energy & Power Generation Div. of Mitsubishi Corporation		
			October 2013	General Manager, Power Systems International Dept., New Energy & Power Generation Div. of Mitsubishi Corporation (Concurrently) Executive Vice President of Mitsubishi Corporation Machinery, Inc.		
			March 2014	Global Environmental & Infrastructure Business Group CEO Office of Mitsubishi Corporation		
			April 2014	President, Mitsubishi Corporation do Brasil, S.A., Sao Paulo (Concurrently) Deputy Regional CEO, Latin America and the Caribbean (Concurrently) General Manager, Asuncion Liaison Office		
			April 2017	Senior Vice President (Riji) of Mitsubishi Corporation Regional CEO, Latin America and the Caribbean, Sao Paulo, Brasil (Concurrently) President, Mitsubishi Corporation do Brasil, S.A. (Concurrently) General Manager, Asuncion Liaison Office		
			April 2018	Senior Vice President (Shikko-Yakuin) of Mitsubishi Corporation Regional CEO, Latin America and the Caribbean, Sao Paulo, Brasil (Concurrently) President, Mitsubishi Corporation do Brasil, S.A. (Concurrently) General Manager, Asuncion Liaison Office		
			April 2019	Executive Vice President, Group CEO, Industrial Infrastructure Group of Mitsubishi Corporation		
			April 2022	Executive Vice President, Group CEO, Power Solution Group, and Power & Retail DX Task Force Leader of Mitsubishi Corporation		
			July 2022	Executive Vice President, Group CEO, Power Solution Group of Mitsubishi Corporation		
			April 2024	Deputy President of the Company Concurrently served as Executive Officer of the Company		
			June 2024	Representative Director, Deputy President of the Company (incumbent) Concurrently serves as Executive Officer of the Company (incumbent)		

Title	Name	Date of Birth	Career Summary	Term	Number of shares held (Shares)
Director Deputy President	Kazumi Anei	September 18, 1960	April 1985 Joined Hitachi Leasing Corp. (currently the Company) April 2003 General Manager of Sales Dept. II, Kansai Corporate Sales Branch, Kansai Sales Division of Hitachi Capital Corporation (Hitachi Capital) April 2005 Head of Kansai Corporate Sales Branch, Kansai Sales Division of Hitachi Capital April 2010 Head of Kanagawa Sales Division of Hitachi Capital April 2014 Corporate Officer, Head of Corporate Business Division, and Co-Head of Account Sales Promotion Division of Hitachi Capital April 2016 Executive Officer, Head of Corporate Business Division, Corporate Sales & Marketing Group, and Head of Service Business Division of Hitachi Capital April 2018 Vice President and Executive Officer, Co-Head of Corporate Sales & Marketing Group, in charge of Japan, and Head of Environment and Energy Business, Corporate Business Division, Customer E&E Business Division of Hitachi Capital April 2020 Senior Vice President and Executive Officer, Chief Marketing Officer, and Head of Business Enhancement Division (in charge of Europe and the Americas) of Hitachi Capital April 2021 Director, Senior Managing Executive Officer of the Company May 2021 Director, Deputy President of the Company (incumbent) Concurrently serves as Executive Officer of the Company (incumbent) *CMO: Chief Marketing Officer	(Note)4	61,300
Director Managing Executive Officer	Haruhiko Sato	June 19, 1965	April 1989 Joined Mitsubishi Corporation November 2002 Mitsubishi International GmbH (based in Dusseldorf) January 2007 Finance Director, Moscow Office of Mitsubishi Corporation April 2009 Treasurer Office of Mitsubishi Corporation April 2011 Deputy General Manager, Structured Finance, M&A Advisory Dept. of Mitsubishi Corporation March 2014 Senior Vice President, Corporate Staff Section and CFO* of Mitsubishi Corporation (Americas) April 2019 General Manager, Power Solution Administration Department of Mitsubishi Corporation April 2021 Director, Managing Executive Officer of the Company (incumbent) Concurrently serves as Executive Officer of the Company (incumbent) *CFO: Chief Financial Officer	(Note)4	0

Title	Name	Date of Birth	Career Summary	Term	Number of shares held (Shares)
Director (Independent Outside Director)	Yuri Sasaki	May 26, 1967	April 1995 Assistant at Hitotsubashi University (Faculty of Commerce and Management) April 1998 Assistant Professor of Faculty of Commerce, Takachiho University of Commerce (current Takachiho University) April 2001 Assistant Professor of Faculty of Economics, Meiji Gakuin University April 2006 Visiting Scholar at University of Washington April 2007 Professor of Faculty of Economics, Meiji Gakuin University (incumbent) June 2014 Director of JBA TIBOR Administration January 2015 Expert Committee Member of Financial System Council of Financial Services Agency November 2015 Visiting Scholar at University of Washington June 2018 Director of Hitachi Capital Corporation (currently the Company) April 2020 Dean of Faculty of Economics, Meiji Gakuin University April 2021 Director of Mitsubishi HC Capital Inc. (the Company) (incumbent) July 2022 Director of Meiji Yasuda Life Insurance Company (incumbent)	(Note)4	1,400
Director (Independent Outside Director)	Kayoko Kawamura	July 12, 1964	April 1987 Joined IBM Japan, Ltd. August 1999 Executive Assistant to the GM of Global Services, IBM Asia Pacific and Japan January 2006 Manager, Global Delivery Solution of IBM Japan, Ltd. April 2008 Director, Head of Open System Development of IBM Japan, Ltd. July 2009 Director, Head of Financial Service Delivery Application Management Service Delivery of IBM Japan, Ltd. March 2010 Director (non-executive), Regional Bank Solution and Services Co., Ltd. Director (non-executive), IBM Global Services Japan Collaboration Solutions and Services Company (both until March 2015) January 2012 Director, Head of Application Management Service Delivery of IBM Japan, Ltd. March 2012 Director (non-executive), D&I Information Systems Inc. Director (non-executive), MLI Systems Inc. (both until March 2015) July 2016 Director, IBM Japan, Ltd. In charge of sales, Technology Support Services Business January 2019 Director, Head of Business Consulting of Teradata Japan, Ltd. April 2021 Director, Head of Business Consulting, Executive Officer of Teradata Japan, Ltd. July 2021 Senior Director, Customer Support Services, Executive Officer of Teradata Japan, Ltd. (incumbent) June 2024 Director of the Company (incumbent) June 2025 Director of Rakuten Bank, Ltd. (incumbent)	(Note)4	400

Title	Name	Date of Birth	Career Summary	Term	Number of shares held (Shares)
Director (Outside Director)	Shota Kondo	September 27, 1967	April 1991 Joined Mitsubishi Corporation May 2013 General Manager, Russia Business Dept., Natural Gas Business Div. of Mitsubishi Corporation April 2016 General Manager, Shale Gas Business Dept., Natural Gas Business Div. of Mitsubishi Corporation April 2017 General Manager, Canada Oil & Gas Business Dept., Energy Resources Div. B of Mitsubishi Corporation April 2019 General Manager, Houston Branch of Mitsubishi Corporation (Americas) (Concurrently) General Manager, Houston Branch of Mitsubishi International Corporation April 2020 General Manager, Natural Gas Group CEO Office of Mitsubishi Corporation April 2021 Senior Vice President, General Manager, Natural Gas Group CEO Office of Mitsubishi Corporation April 2022 Senior Vice President, General Manager, Corporate Strategy & Planning Dept. of Mitsubishi Corporation April 2024 Executive Vice President, Group CEO, Smart-Life Creation Group of Mitsubishi Corporation (incumbent) May 2024 Director of Lawson, Inc. (incumbent) June 2024 Director of OK Corporation (incumbent) June 2024 Director of the Company (incumbent)	(Note)4	0
Director (Audit & Supervisory Committee Member) (Full-time)	Yoshitaka Shiba	July 25, 1961	April 1986 Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.) May 2009 General Manager, Kibafukagawa Commercial Banking Office of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) May 2011 Deputy General Manager, Human Resources Division (Nagoya) of BTMU June 2012 Executive Officer and General Manager, Credit Division of The Bank of BTMU May 2014 Executive Officer and General Manager, Internal Audit & Credit Examination Division of BTMU May 2016 Managing Executive Officer, in charge of corporate banking offices and branches in Central Region of Japan of BTMU July 2018 Managing Executive Officer, Regional Head, Commercial Banking Offices and Branches in Central Region of Japan of MUFG Bank, Ltd. April 2020 Senior Managing Corporate Executive, Group CAO, and Managing Director, Head of Internal Audit Division of Mitsubishi UFJ Financial Group, Inc. April 2024 Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc. May 2024 Advisor of the Company June 2024 Director (Audit & Supervisory Committee Member) of the Company (incumbent)	(Note)5	1,700

Title	Name	Date of Birth	Career Summary		Term	Number of shares held (Shares)
Director (Audit & Supervisory Committee Member) (Independent Outside Director)	Hiroyasu Nakata	August 29, 1951	April 1977	Completed the legal apprentice course at the Legal Training and Research Institute of the Supreme Court of Japan Admitted to the bar (Daini Tokyo Bar Association) (until March 1990)	(Note)5	3,900
			April 1990	Associate Professor at Faculty of Law and Economics, Chiba University		
			June 1993	Professor at Faculty of Law and Economics, Chiba University		
			April 1995	Professor at Faculty of Law, Hitotsubashi University		
			April 1999	Professor of Graduate School of Law, Hitotsubashi University		
			April 2003	Trustee of Hitotsubashi University		
			April 2008	Professor at The University of Tokyo Graduate Schools for Law and Politics and The University of Tokyo Faculty of Law		
			April 2015	Emeritus Professor of Hitotsubashi University		
			April 2017	Professor at Waseda Law School		
			June 2017	Emeritus Professor of The University of Tokyo		
			June 2018	Audit & Supervisory Board Member of Mitsubishi UFJ Lease & Finance Company Limited (currently the Company)		
			April 2021	Director of the Company		
			June 2024	Director (Audit & Supervisory Committee Member) of the Company (incumbent)		
Director (Audit & Supervisory Committee Member) (Independent Outside Director)	Hiroko Kaneko	March 28, 1958	April 1980	Joined The Sapporo Television Broadcasting Co., Ltd.	(Note)5	3,900
			October 1989	Joined Ota Showa Audit Corporation (currently ERNST & YOUNG SHINNIHON LLC)		
			February 1993	Registered as certified public accountant		
			May 2007	Partner, ERNST & YOUNG SHINNIHON (currently ERNST & YOUNG SHINNIHON LLC)		
			July 2010	Senior Partner, ERNST & YOUNG SHINNIHON LLC		
			April 2018	Professor at Waseda Graduate School of Accountancy		
			June 2018	Audit & Supervisory Board Member, The Shoko Chukin Bank, Ltd.		
			June 2019	Director of Kanagawa Chuo Kotsu Co., Ltd.		
			June 2020	Audit & Supervisory Board Member of Mitsubishi UFJ Lease & Finance Company Limited (currently the Company)		
			February 2021	Member of Business Accounting Council, Financial Services Agency (incumbent)		
			April 2021	Director (Audit & Supervisory Committee Member) of the Company (incumbent)		
			March 2022	Member of the Board, The Yokohama Rubber Co., Ltd.		
			June 2022	Director (Audit & Supervisory Committee Member), Kanagawa Chuo Kotsu Co., Ltd.		
			June 2023	Audit & Supervisory Board Member of Development Bank of Japan Inc. (incumbent)		
			June 2023	Audit & Supervisory Board Member of Shin-Etsu Chemical Co., Ltd. (incumbent)		

Title	Name	Date of Birth	Career Summary		Term	Number of shares held (Shares)
Director (Audit & Supervisory Committee Member) (Independent Outside Director)	Masayuki Saito	November 8, 1954	April 1977	Joined Dainippon Ink and Chemicals, Incorporated (currently DIC Corporation)	(Note)5	3,900
			April 2008	Executive Officer and Head of Finance and Accounting Unit of DIC Corporation		
			June 2010	Director and Executive Officer, Head of Finance and Accounting Unit of DIC Corporation		
			April 2011	Director and Managing Executive Officer, Head of Finance and Accounting Unit of DIC Corporation		
			April 2012	Representative Director, Senior Managing Executive Officer, Assistant to the President and CEO, and Head of Finance and Accounting Unit of DIC Corporation		
			April 2013	Representative Director, Senior Managing Executive Officer, Assistant to President and CEO, and in Charge of Finance & Accounting Div. of DIC Corporation		
				Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.		
			January 2016	Representative Director, Executive Vice President, CFO, and Assistant to President and CEO of DIC Corporation		
				Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.		
			January 2020	Representative Director, Executive Vice President, and Assistant to President and CEO of DIC Corporation		
				Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.		
			January 2021	Chairman of the Board of Directors of DIC Corporation		
				Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.		
			June 2022	Director, Audit & Supervisory Committee Member of the Company (incumbent)		
			March 2024	Advisor of DIC Corporation (incumbent)		
Total						115,500

(Notes) 1. Directors who are not Audit & Supervisory Committee Members, Ms. Yuri Sasaki, Ms. Kayoko Kawamura and Mr. Shota Kondo are Outside Directors.

2. Directors who are Audit & Supervisory Committee Members, Mr. Hiroyasu Nakata, Ms. Hiroko Kaneko and Mr. Masayuki Saito are Outside Directors.

3. The Company has introduced an executive officer system, and has 26 Executive Officers (four of whom concurrently serve as Directors).

4. From the close of the Annual General Meeting of Shareholders held on June 26, 2025 to the close of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2026.

5. From the close of the Annual General Meeting of Shareholders held on June 25, 2024 to the close of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2026.

(ii) Status of Outside Officers

As of the submission date of this Annual Securities Report, the Company has six Outside Directors, including five independent Outside Directors. We have put forth a proposal: "Election of 8 (Eight) Directors (Excluding Directors who are Audit & Supervisory Committee Members)" as an item of agenda (matters for resolution) for the Annual General Meeting of Shareholders held on June 26, 2025. If this proposal is approved and adopted, there will be no change in the composition of Outside Directors of the Company.

The Board of Directors is responsible for the appropriate decision-making of the Board of Directors and the oversight of overall management from an external perspective. The Board of Directors appoints a number of Outside Directors and strives to establish an efficient and effective corporate governance system to further enhance it.

The Company's Board of Directors is composed of Directors from a variety of professions and industries, and the Company believes that it has the right number and diversity.

The personnel relationship, capital relationship or business relationship between the Outside Directors and the Company, other interests, and the reasons for the election of the Outside Directors are as follows.

Title	Name	Relationship with the Company	Reasons for Appointment and expected Role
Outside Director	Yuri Sasaki	Not applicable	As a university professor specializing in international finance and related fields, Ms. Yuri Sasaki possesses advanced knowledge of domestic and international finance. She also has experience in the investigation and deliberation of key issues related to Japan's financial systems and capital markets, having served as an Expert Committee Member of the Financial System Council of Financial Services Agency. She also serves in a supervisory role in corporate management as an outside director of the Company and a major financial institution. We have determined that, by leveraging the above knowledge and experience, she is expected to contribute to appropriate decision-making by the Board of Directors and supervision of overall management as an independent Outside Director. We are therefore reappointing her as a candidate for Director. We expect her to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective independent of executive management responsible for business execution, and to contribute to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.
Outside Director	Kayoko Kawamura	Ms. Kayoko Kawamura previously served as a Director of IBM Japan Ltd., but the transaction amount between IBM Japan Ltd. and MHC in FY2024 was less than 1% of the consolidated net sales of either company.	Ms. Kayoko Kawamura has experience and knowledge in digital transformation (DX), having held positions such as systems engineer and head of application development for financial institutions at IBM Japan, Ltd., and currently serves as an Executive Officer at Teradata Japan, Ltd., where she is primarily responsible for supporting DX initiatives for client companies. She also has experience in corporate management, having served as a part-time officer at an affiliated company of IBM Japan, Ltd. We have determined that, by leveraging the above experience and knowledge, she is expected to contribute to appropriate decision-making by the Board of Directors and supervision of overall management as an independent Outside Director. We are therefore reappointing her as a candidate for Director. We expect her to advise us on the promotion of DX, one of our important initiatives, and to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective independent of executive management responsible for business execution. We also expect her to contribute to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.

Title	Name	Relationship with the Company	Reasons for Appointment and expected Role
Outside Director	Shota Kondo	Mr. Shota Kondo is currently Executive Vice President of Mitsubishi Corporation, a major shareholder of the Company, and there are business relationships such as lease agreements between Mitsubishi Corporation and the Company.	At Mitsubishi Corporation, Mr. Shota Kondo has held various positions including Head of the CEO Office of the Natural Gas Group and General Manager of the Corporate Strategy & Planning Department, with experience including an assignment in the United States. He currently serves as CEO of the Smart-Life Creation (S.L.C.) Group. We have determined that, by leveraging his management experience at the company and his insight into domestic and international business, he is expected to contribute to appropriate decision-making by the Board of Directors and supervision of overall management from a practical perspective as an outside director. We are therefore reappointing him as a candidate for Director. As Mr. Kondo concurrently serves as an Executive Vice President of Mitsubishi Corporation, a major shareholder of the Company, he is not designated as an Independent Director. Mitsubishi Corporation is an important business partner for the Company and the Company expects to effectively utilize his advice as someone who has served as a chief of business areas of collaboration between Mitsubishi Corporation and the Company. We deem that this will lead to the improvement of the Company's corporate value and contribute to the enhancement of the interests of all shareholders including minority shareholders. Based on the above, we expect him to contribute to appropriate decision-making by the Board of Directors and supervision of overall management, as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee. In addition, the Company's Board of Directors has determined that, in the event a proposal involving a conflict of interest between the Company and Mitsubishi Corporation is submitted, Mr. Kondo shall not participate in the deliberation or resolution of such matters. Mr. Kondo has also expressed his intention to perform his duties as a director in the interest of the Company, rather than on behalf of any particular shareholder.
Outside Director (Audit & Supervisory Committee Member)	Hiroyasu Nakata	Not applicable	As a legal specialist who has served as a lawyer and a university professor, Mr. Hiroyasu Nakata possesses advanced knowledge of the law. He also has experience in the investigation and deliberation of key issues related to legal affairs, having served as an Expert Committee Member of the Legislative Council of the Ministry of Justice. We expect him to leverage the above knowledge and experience to contribute to appropriate decision making and supervision of overall management by the Board of Directors an independent Outside Director, as well as to neutral and objective audits. We are therefore appointing him as a new candidate for Director (Audit & Supervisory Committee Member). We expect her to contribute to appropriate decision-making by the Board of Directors, supervision of overall management, and neutral and objective audits from an objective perspective independent of executive management responsible for business execution, and to contribute to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.

Title	Name	Relationship with the Company	Reasons for Appointment and expected Role
Outside Director (Audit & Supervisory Committee Member)	Hiroko Kaneko	Not applicable	As a university professor specializing in finance, audit, disclosure, and related fields, who also has practical accounting experience, Ms. Hiroko Kaneko possesses advanced knowledge of finance and auditing. She also has experience working on the design and improvement of accounting, audit, and internal control systems, having served as an Expert Committee Member of the Business Accounting Council of the Financial Services Agency. Furthermore, as a partner of a major audit firm and an outside Director and outside Audit & Supervisory Board Member have listed companies, she also has experience in the audit of organizational operations and management. We expect her to leverage the above knowledge and experience to contribute to appropriate decision making and supervision of overall management by the Board of Directors an independent Outside Director, as well as to neutral and objective audits. We are therefore appointing her as a new candidate for Director (Audit & Supervisory Committee Member). We expect her to contribute to appropriate decision-making by the Board of Directors, supervision of overall management, and neutral and objective audits from an objective perspective independent of executive management responsible for business execution, and to contribute to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.
Outside Director (Audit & Supervisory Committee Member)	Masayuki Saito	Mr. Masayuki Saito previously served as Representative Director and Executive Vice President of DIC Corporation, but the transaction amount between DIC Corporation and MHC in FY2024 was less than 1% of the consolidated net sales of either company.	At DIC Corporation, Mr. Masayuki Saito served as General Manager of the Corporate Strategic Planning Department, Managing Director of the regional headquarters for Asia and General Manager of the Finance Department, before assisting the President and CEO as Representative Director and Executive Vice President, and gaining experience in general group management as Chairman of the Board of Directors. The Company expects him to leverage the above experience and knowledge based thereon to contribute to the appropriate decision-making of the Board of Directors and supervision of overall management as an Independent Outside Director, as well as to neutral and objective audits, and is therefore appointing him as a new Director (Audit & Supervisory Committee Member). We expect him to contribute to appropriate decision-making by the Board of Directors, supervision of overall management, and neutral and objective audits from an objective perspective independent of executive management responsible for business execution, and to contribute to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.

(Note) The Company has designated Directors Yuri Sasaki and Kayoko Kawamura, and Directors Hiroyasu Nakata, Hiroko Kaneko, and Masayuki Saito, who are Audit & Supervisory Committee Members, as independent Directors, and has registered them as such with the Tokyo Stock Exchange.

Independence Standards for Outside Directors

The Company shall judge the independence through confirmation as to whether the candidate at any time in the past three years has fallen under any of the following (1) through (6), on condition that the individual fulfills the requirements for independent directors set forth by the financial instruments exchanges of Japan, such as the Tokyo Stock Exchange, and then through multifaceted examination as to whether the individual can be evaluated as having independence objectively and substantially:

(1) A major shareholder (a shareholder holding 10% or more of the total voting rights) of the Company or an Executive (*1) thereof;
(2) An Executive of a lender of the Company (*2) that exceeds the Company's standard;
(3) An Executive of a business partner of the Company (*3) that exceeds the Company's standard;
(4) A consultant, attorney-at-law, certified public accountant, or other person who provides professional services, that receives more than 10 million yen or more per fiscal year in monetary or other assets from the Company, excluding executive compensation;
(5) A representative partner or partner of the Company's Accounting Auditor;
(6) A person who belongs to an association which receives donations from the Company exceeding a certain amount (*4).

(*1) An Executive refers to an Executive Director, Executive Officer, or other employees.
(*2) A lender that exceeds the Company's standard refers to a lender from whom the amount the Company has borrowed exceeds 2% of the consolidated total assets of the Company.
(*3) A business partner that exceeds the Company's standard refers to a business partner having dealings with the Company worth more than 2% of the consolidated net sales of the Company or of the business partner.
(*4) Donations exceeding a certain amount refer to a donation exceeding 10 million yen per fiscal year.

Even if the candidate falls under any of the above (1) through (6), if there are special circumstances for designating the candidate as an independent director and the Company judges that he/she substantially has independence and therefore will register him/her as an independent director with the financial instruments exchanges of Japan, such as the Tokyo Stock Exchange, the reason therefor shall be explained and disclosed at the time of the candidate's election as an Outside Director.

(iii) Supervision or Audits by Outside Directors (collaboration with internal audit, with the Audit & Supervisory Committee, with accounting audit, and relationship with internal control departments)

At the Board of Directors' meetings, Outside Directors receive internal audit plans and audit implementation reports from the Internal Audit Department, activity reports from the Audit & Supervisory Committee, and financial results, the status of business execution and reports on operation of the Risk Management Committee, the Compliance Committee, etc. from the department in charge of internal control functions.

Of Outside Directors, Directors who are Audit & Supervisory Committee Members regularly receive reports on the implementation status of individual audits from the Internal Audit Department, and reports on audit and review results from the Accounting Auditor, and express their opinions where appropriate to strengthen mutual collaboration.

The status of the Audit & Supervisory Committee's activities is as described in "(3) Status of the Audit" in "4. Corporate Governance, etc." of "Item 4. Information on the Company."

(3) Status of the Audit

(i) Status of the Audit of the Audit & Supervisory Committee

a. Organization, Personnel and Procedures

[As of the Date of Submission of this Annual Securities Report]

The Company is a company with an audit & supervisory committee, which consists of four members: one Director and three Independent Outside Directors, at the time of submission of this report.

Mr. Yoshitaka Shiba has accumulated experience and knowledge as the Group CAO and Head of the Internal Audit Department, in addition to having been involved in management at one of Japan's major financial institutions.

Mr. Hiroyasu Nakata has advanced knowledge as a legal expert.

Ms. Hiroko Kaneko has experience at major audit firms and as a university professor, as well as advanced knowledge as an accounting expert.

Mr. Masayuki Saito has management experience at a major Japanese manufacturing company, as well as knowledge in finance and accounting.

Each Audit & Supervisory Committee Member of the Company has a high level of insight into the financial business, and the Company also has established a system to ensure the full effectiveness of accounting audits.

Mr. Yoshitaka Shiba serves as Chairman of the Audit & Supervisory Committee. In addition, the Company has established the Audit & Supervisory Committee Office, which assists in activities of the Audit & Supervisory Committee. Employees with appropriate knowledge, ability and experience have been assigned to the Office.

[After the resolution of the Audit & Supervisory Committee following the Annual General Shareholders' Meetings scheduled for June 26, 2025]

As of the filing date of this annual securities report, no changes are planned.

b. Status of Audit Activities of the Audit & Supervisory Committee

(i) Number of Audit & Supervisory Committee Meetings held and Attendance of each Audit & Supervisory Committee Member

The Audit & Supervisory Committee meetings are held every month, in principle. Audit & Supervisory Committee meetings were held 15 times during fiscal 2024, and attendance of Audit & Supervisory Committee Members is as follows.

15/15 times (100%): Hiroko Kaneko and Masayuki Saito

11/11 times (100%): Yoshitaka Shiba and Hiroyasu Nakata

(Note) Regarding Yoshitaka Shiba and Hiroyasu Nakata, attendance at the Audit & Supervisory Committee meetings held later than June 25, 2024 is provided as they were appointed as Directors (Audit & Supervisory Committee Members) at the General Meeting of Shareholders held on June 25, 2024.

(ii) Specific Matters for Consideration, etc. by the Audit & Supervisory Committee

With the basic policy of implementing audits that contribute to the establishment of a quality corporate governance structure, the Audit & Supervisory Committee closely cooperates with the Internal Audit Department, the departments in charge of internal control functions and the Accounting Auditor to conduct effective audits.

Main matters deliberated and reported by the Audit & Supervisory Committee

・Audit policies and audit plans

・The appropriateness of fees for the Accounting Auditor, the reappointment of the Accounting Auditor and audit results

・Preparation of audit reports

・Important agenda proposed to the meetings of the Board of Directors

・Results of operational audits and internal control audits by the Internal Audit Department

・The status of internal controls managed by the department in charge of internal control functions

・Progress and results of the audit by the Accounting Auditor, process for determining Key Audit Matters (KAM), etc.

・Matters reported and discussed by the committees (risk management, compliance, sustainability, IT, information disclosure, ALM, etc.)

(iii)Status of Audit Activities of the Audit & Supervisory Committee

Through the following activities, the Audit & Supervisory Committee works to conduct objective and effective audits from an independent position.

Major Audit & Supervisory Committee Activities

・Deliberations, etc. among the Audit & Supervisory Committee

- Formulation of audit policies, audit plans, and priority audit items for the year

- Reporting on business execution by business execution divisions
- Matters related to business reporting, financial results documents, etc.
- Reporting on the Accounting Auditor's audit plans, the status of audits, and audit results
- Reporting on the Internal Audit Department's audit plans, the status of audits, and audit results

・On-site observations of offices in Japan and overseas
- On-site observations of offices of MHC and its Group companies in Japan and overseas

・Meetings with the management team
- Regular opinion exchanges with Representative Directors, Business Division Heads, and Corporate Center Division Heads
- Opinion exchanges with Group companies' management members

The major activities of the Audit & Supervisory Committee Member(s) selected by the Audit & Supervisory Committee are as follows. By reporting the results of these activities to the Audit & Supervisory Committee, or appropriately sharing with other Audit & Supervisory Committee Members, the Audit & Supervisory Committee enhances the effectiveness of its activities.

Major Activities of the Audit & Supervisory Committee Member(s) selected by the Audit & Supervisory Committee

・Attendance at meetings
- Attendance at Executive Committee meetings and other committee meetings held by business execution divisions, information collection, etc.

・On-site audits and observations of offices in Japan and overseas
- On-site audits and observations of offices of MHC and its Group companies in Japan and overseas, information collection, etc.

・Inspection of documents
- Inspection of important documents, examination of content

・Meetings with the management team
- Regular and ad-hoc meetings with Representative Directors, etc.

・Discussions with the department in charge of internal control functions
- Regular and ad-hoc meetings with accounting department, risk management department, and legal and compliance department

・Discussions with Group company auditors, etc.
- Regular and ad-hoc meetings with auditors, etc. at domestic and overseas Group companies

・Discussions with the Accounting Auditor
- Regular and ad-hoc meetings with the Accounting Auditor

The Audit & Supervisory Committee Member selected by the Audit & Supervisory Committee collects wide-ranging information by attending major meetings, confirming important documents, and collaborating with the Internal Audit Department and the departments in charge of internal control functions. He reports on important matters to other Audit & Supervisory Committee Members, and for particularly important matters, he issues instructions for additional reporting to related parties to include such matters in agenda items for the Audit & Supervisory Committee.

Organically combining the independence of Audit & Supervisory Committee Members who are Independent Outside Directors with the information gathering capabilities of the Audit & Supervisory Committee Member(s) selected by the Audit & Supervisory Committee serves to enhance the effectiveness of the Audit & Supervisory Committee's activities. They communicate what they have noticed in these audit activities to business execution divisions, and they provide advice as needed.

Audit & Supervisory Committee Members and Outside Directors who are not Audit & Supervisory Committee Members collaborate as necessary through exchanging information at Board of Directors meetings and Governance Committee meetings, etc.

(ii) Status of Internal Audits

Internal audits of the Company are implemented by the Internal Audit Department (51 members). The Internal Audit Department conducts internal audits systematically based on an annual audit plan, regularly reports the results to the Representative Director, the Board of Directors and the Audit & Supervisory Committee, and closely exchanges opinions on mutual recognition of issues and other matters. The General Manager of the Internal Audit Department requests auditees to take corrective actions on observations identified during internal audits where recommended improvements were provided and then report the results of those actions. The General Manager also informs the Representative Director about

significant findings to ensure the effectiveness of the audit. The General Manager of the Internal Audit Department has built cooperative relationships with Audit & Supervisory Committee, corporate auditors and others at Group companies, and the Accounting Auditor, and this enables exchange of information and other actions on a regular and appropriate basis, in an effort to conduct audits efficiently. The General Manager also exchanges related information with the departments in charge of the Risk Management Committee, the Compliance Committee, and others.

(iii) Status of Accounting Audits

a. Name of Audit Firm

Deloitte Touche Tohmatsu LLC

b. Continuous Audit Period

The Company (then Diamond Lease Company Limited) concluded an audit agreement with Deloitte Touche Tohmatsu LLC (then Nishikata Audit Corporation) in 1980. Subsequently, the Company merged with UFJ Central Leasing Co., Ltd. in April 2007 and became Mitsubishi UFJ Lease & Finance Company Limited, which merged with Hitachi Capital Corporation in April 2021 and changed its trade name to Mitsubishi HC Capital Inc., and continued to conclude audit agreements with Deloitte Touche Tohmatsu LLC.

c. Certified Public Accountants who executed the Services

Motohiro Shimizu, Designated Engagement Partner, Certified Public Accountant
Masashi Tsurumi, Designated Engagement Partner, Certified Public Accountant
Masashiro Fujimori, Designated Engagement Partner, Certified Public Accountant

d. Composition of Assistants in Audit Duties

The assistants involved in the audit duties of the Company are 18 certified public accountants and 39 other members.

e. Policy and Reason for the Selection of an Audit Firm

In selecting an audit firm, the Company has the policy of deciding on an audit firm after comprehensively evaluating a broad range of items concerning the audit firm that include governance; the status of organizations and systems including business administration; the status of personnel affairs, such as the policies for recruitment and HR development; and financial conditions, all of which are the management basis of audit firm, as well as experience in auditing the industry in which the Company operates; the level of understanding of details of the Company group's business and risks; the availability of professionals in finance; expertise, such as the status of its overseas network; the status of compliance with related laws and regulations; the status of compliance with responding to inspection, etc. of relevant authorities; ensuring of independence; maintenance and improvement of quality management; the system for offering services including communication with management executives and the Audit & Supervisory Committee; and the level of auditing fees. The Company concluded that Deloitte Touche Tohmatsu LLC fully satisfied these items and selected the firm as the audit firm of the Company.

When it is recognized that the Accounting Auditor falls under any of the items set forth in Article 340, Paragraph 1 of the Companies Act, the Company considers the dismissal of the Accounting Auditor. When judging that there is an immediate need for dismissal, the Audit & Supervisory Committee will dismiss the Accounting Auditor based on the consent of all Audit & Supervisory Committee Members.

In addition to the above, if it is determined that the Accounting Auditor should be changed, such as in cases of obstacles hindering their ability to execute the duties of Accounting Auditor, the Audit & Supervisory Committee shall decide the details of the proposal relating to dismissal or non-reappointment of the Accounting Auditor that will be submitted to the General Meeting of Shareholders.

f. Evaluation of the Audit Firm

The Audit & Supervisory Committee evaluates the audit firm comprehensively concerning matters including the structure of the most recent audit team, the appropriateness of the audit plan, the difference between the plan and the actual results, and analysis of the causes, in addition to items listed in the reasons for its selection.

(iv) Content, etc. of Audit Fees

a. Fees for Certified Public Accountants, etc. for Audits

Category	Previous Fiscal Year		Fiscal Year under Review	
	Fees based on Audit and Attestation Services (Millions of Yen)	Fees based on Non-audit Services (Millions of Yen)	Fees based on Audit and Attestation Services (Millions of Yen)	Fees based on Non-audit Services (Millions of Yen)
Reporting Company	264	12	263	14
Consolidated Subsidiaries	190	27	162	26
Total	454	40	425	41

(Notes) 1. The content of non-audit services in the Company for the previous fiscal year and the fiscal year under review consists of preparation of comfort letters, etc.

2. The content of non-audit services in consolidated subsidiaries for the previous fiscal year and the fiscal year under review consists of preliminary investigation services for conclusion of audit agreements and preparation of comfort letters, etc.

b. Fees for Deloitte Touche Tohmatsu Limited's Member Firms that belong to the same Network with the Certified Public Accountants, etc. for Audits (excluding a.)

Category	Previous Fiscal Year		Fiscal Year under Review	
	Fees based on Audit and Attestation Services (Millions of Yen)	Fees based on Non-audit Services (Millions of Yen)	Fees based on Audit and Attestation Services (Millions of Yen)	Fees based on Non-audit Services (Millions of Yen)
Reporting Company	–	38	–	28
Consolidated Subsidiaries	1,230	197	1,337	211
Total	1,230	236	1,337	240

(Notes) 1. The content of non-audit services in the Company for the previous fiscal year and the fiscal year under review consists of tax advisory services.

2. The content of non-audit services in consolidated subsidiaries for the previous fiscal year and the fiscal year under review consists of tax advisory services, etc.

c. Content of Fees for other important Audit and Attestation Services

There are no important fees for audit and attestation services that some of the consolidated subsidiaries of the Company paid in the previous fiscal year and the fiscal year under review to certified public accountants for audits, etc. who belong to networks other than ones that certified public accountants, etc. of the Company belong to.

d. Policy for determining Audit Fees

Although there are no applicable items, they are determined in consideration of the size, characteristics, number of audit days, etc.

e. Reason why the Audit & Supervisory Committee gave Consent to Fees, etc. for the Accounting Auditor

The Audit & Supervisory Committee agrees to this remuneration as it has confirmed that these amounts are determined after sufficient discussion with the Accounting Auditor by using the number of auditing days and of auditors required to perform appropriate and efficient accounting auditing as the basis for calculation.

(4) Officers' Remuneration, etc.

(i) Policy for Determining Details, Amount, and Calculation Method of Officer Remuneration, etc. and Method of Determination

a. Basic Policy

i) For the purpose of enhancing corporate value through the execution of business strategies, the Company also considers officer incentive when determining officer remuneration.

ii) The level of remuneration shall be appropriate for the roles and responsibilities of each officer, taking into consideration the level of the market, from the standpoints of enhancing corporate value in the medium to long term and improving business performance in the short term.

In accordance with the above basic policy, the Board of Directors of the Company has resolved the policy on the details of remuneration, etc. of individual Directors (excluding Directors who are Audit & Supervisory Committee Members) as follows in b.

b. Policy on the Details of Remuneration, etc. of individual Directors (excluding Directors who are Audit & Supervisory Committee Members)

i) Remuneration System

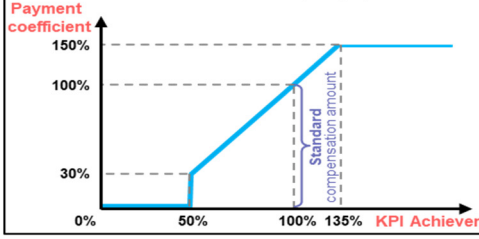
- In principle, remuneration, etc. for Executive Directors shall be comprised of basic remuneration, short-term incentive compensation (performance-based monetary compensation), and medium- to long-term incentive compensation (performance-based stock compensation). Short-term incentive compensation will be paid in cash as a bonus, and medium- to long-term incentive compensation will be paid as Company stocks using a trust framework.
- For the purpose of maintaining a healthy ratio of performance-based compensation, the ratio between fixed remuneration (basic remuneration) and floating compensation (bonus and stock compensation) shall be around 1 to 0.6 (the ratio of basic remuneration to bonuses to stock compensation shall be around 1 to 0.3 to 0.3).
- From the standpoint of ensuring the effectiveness of the supervisory function, remuneration for non-executive directors (excluding Directors who are Audit & Supervisory Committee members) does not include bonuses and stock compensation, which are incentive remuneration.

Remuneration System for Executive Officers

Type of Remuneration		Details of Remuneration	Remu-neration Ratio	KPIs for Evaluation/ Evaluation Weight			Range of Payment Coefficient Based on KPI Achievement
Fixed	Basic Remuneration	■ Fixed remuneration according to position	62.5% 1	-			-
Floating	Bonus (Short-term Incentive) Performance-based	■ Amount determined based on the consolidated business performance of the previous year, etc. 1. KPIs for performance evaluation are set in line with MHC's numerical targets 2. Regarding responsible duties, quantitative and qualitative evaluations are conducted from the perspective of performance and the level of contribution	18.75% 0.3	KPI \ Position	Representative Director	Other	0-150%
				Net income attributable to owners of the parent	70%	49%	
				ROA*1	15%	10.5%	
				ROE*2	15%	10.5%	
				Responsible Duties	-	30%	
	Stock (Medium- to Long-term Incentive) Performance-based	■ Amount determined based on the level of achievement during the three-year period of the Medium-term Management Plan	18.75% 0.3	Net income attributable to owners of the parent	60%		0-150%
				ROA*1	10%		
				ROE*2	10%		
				TSR against TOPIX growth rate*3	20%		

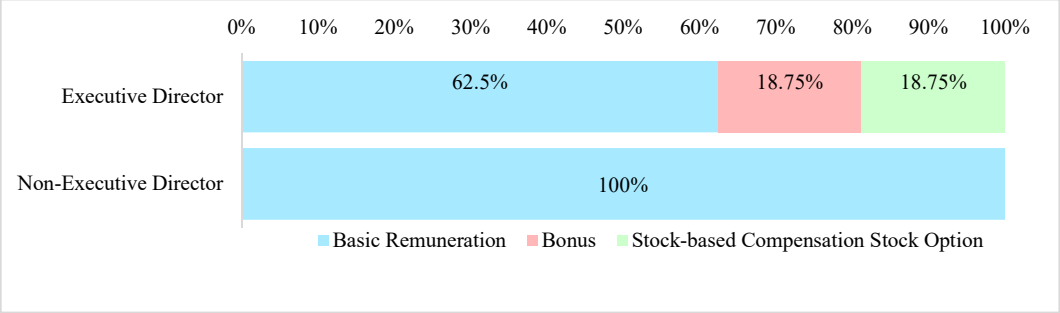
*1 Return On Asset
*2 Return On Equity
*3 Total Shareholder Return

Bonus | Stock Compensation | Changes in Payment Coefficient for Performance-based Compensation (Sample)



KPI Achievement Rate	Payment Amount (Standard compensation amount × Payment Coefficient)
Less than 50%	0
50%	Standard compensation amount × 30%
100%	Standard compensation amount × 100%
135% or more	Standard compensation amount × 150%

Composition Ratio of Remuneration



・Fixed Remuneration

The amount of fixed remuneration is determined based on the amount corresponding to the position and comprehensive consideration of the roles, responsibilities, and other factors of each Director.

・Floating Compensation

From the standpoint of clarifying the relationship between performance and remuneration, for bonuses and stock compensation, the financial indicators, etc. emphasized in the management strategy as indicators representing the Company's growth are set as the KPIs for evaluating performance (KPIs and evaluation ratios are shown above).

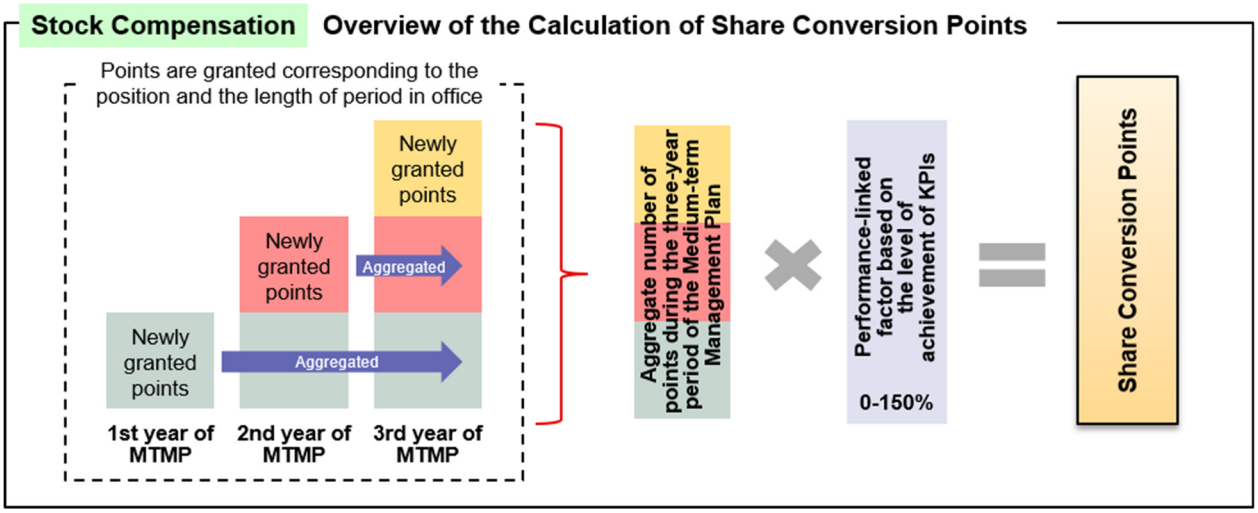
[Bonuses]

- (1) Net income attributable to owners of the parent, (2) ROA, and (3) ROE are used, which are set according to the Company's numerical targets (KPIs for evaluating company-wide performance).
- In regard to bonuses for Representative Directors, the entire amount is linked to the company-wide performance evaluation, while the bonus for other Executive Directors is based 70% on the company-wide performance evaluation and 30% on the evaluation of duties for which each individual is responsible. For both positions, the amount of bonuses to be paid is determined within the range of 0 to 150% of the standard amount based on the achievement rate of KPIs.
- For respective operational responsibilities, a standard evaluation sheet is used by the President & CEO to perform quantitative and qualitative evaluations from the standpoint of performance and contribution of the Executive Director with respect to the operations for which they are responsible. The purpose of this is to improve the incentive of individual Directors by properly evaluating not only the degree of achievement of targets for business results but also the degree of contribution, which cannot be evaluated solely quantitatively.

[Stock Compensation]

- The growth rate of (1) net income attributable to owners of the parent, (2) ROA, (3) ROE, and (4) TSR against TOPIX growth rate, which has been set as numeral targets in the Medium-term Management Plan to enhance the Company's corporate value in the medium to long term, shall be indicators for evaluating performance (KPIs).
- By using a trust framework, Company shares, etc. corresponding to share conversion points, which are calculated using the following formula, are provided. Specifically, one Company share shall be provided per one point. In principle, a portion of shares held by the trust is converted into cash in the trust, and the compensation is paid at a percentage of shares 50% : cash 50%.

Share conversion points = "points granted corresponding to the position and the term of office (accumulated value for a period of three years, which is the period of the Medium-term Management Plan) × performance-linked factor (varying in a range between 0% to 150%) according to the achievement level of KPIs"



<Malus and Claw-back Clause for Stock Compensation and Shareholding Policy>

- As for stock compensation granted to Executive Directors, the points or share conversion points that have already been granted can be confiscated, and money equivalent to the Company's shares, etc. that have already been delivered reclaimed, in the case of a material violation of the office regulations or internal regulations, resignation for personal reasons during the term of office against the will of the Company, termination for legitimate reasons, gaining employment at a competitor without the Company's permission, etc.
- The Company recommends that directors hold the Company's shares. In principle, directors shall continue to hold the Company's shares obtained during the term of their office until the time of their resignation, regardless of the number of shares held.

・Other Compensation

If a Director (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) needs to live in an area far away from his or her home due to a transfer associated with a change in their responsibilities or assigned location, the Director is to be provided with an appropriate property as company housing (hereinafter, the difference between the total monthly rent required for the Company to rent the company housing and the total amount of monthly company housing rent collected from the Director is referred to as "non-monetary remuneration for the provision of company housing"). The company housing to be provided shall be a general standard property, and the maximum rent shall be established in advance based on position and geographical area. The company housing rent (if the maximum rent is exceeded, the full amount of the excess amount is added) shall be collected from the Director as their own expenses (there are currently no eligible officers who are provided with company housing).

(ii) Timing or Conditions of Remuneration, etc.

- Basic remuneration shall be paid in a fixed monthly amount on the designated day.
- Bonuses shall be paid in an amount determined based on the results of the previous fiscal year (April to next March) on or after the date of the Annual General Meeting of Shareholders in June of every year.
- As stock compensation, points are granted at the end of every fiscal year (the end of March) corresponding to the position and number of months in office of the relevant person, in principle. The aggregate number of the said points of three years is multiplied by the performance-linked factor to calculate share conversion points, based on which the Company Shares, etc. are provided in July of the fiscal year following the final fiscal year of the Medium-term Management Plan period (three years).
- Non-monetary remuneration for the provision of company housing shall be paid monthly in addition to basic remuneration.

Type of Remuneration	Payment Timing	Subject Period of Payment
Basic Remuneration	A predetermined Date every Month	Every Fiscal Year
Bonus	After an annual General Meeting of Shareholders	Previous Fiscal Year (April to next March)
Stock Compensation	–	Medium-term Management Plan Period (three Years)
(a) Points*	End of every Fiscal Year	The Period of Service during each Fiscal Year
(b) The Company Shares, etc.	July following the End of the Medium-term Management Plan	Cumulative Period of Service during the Medium-term Management Plan Period
Non-monetary Remuneration related to the Provision of Company Housing	A predetermined Date every Month	Every Fiscal Year

* The (b) Company's shares, etc. are provided based on the share conversion points calculated by multiplying the number of (a) points aggregated during the Medium-term Management Plan period by the performance-linked factor.

(iii) Method of Determining Remuneration, etc., Outline of the Committee's Procedures, and Description of its Activities

- The details of remuneration, etc. and the policy for determining remuneration, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) are resolved at meetings of the Board of Directors after preliminary deliberation by the Compensation Committee, which is comprised of a majority of Independent Outside Directors. The Compensation Committee also deliberates annually on the appropriateness of the level and composition of remuneration based on remuneration data and other information provided by external professional organizations.
- The members and chairperson of the Compensation Committee are selected by the Board of Directors, and the Committee adopts resolutions by a majority of the members present. The internal rules stipulate that the Board of Directors shall make resolutions by respecting the resolutions of the Committees to the maximum extent.
- The Company believes it is helpful that the specific amount of basic remuneration and bonuses for Directors (excluding Directors who are Audit & Supervisory Committee Members), as well as non-monetary remuneration for the provision of company housing, is determined flexibly based on certain standards by someone who is familiar with individual operations and the Company's situation. The decision is thus entrusted to the President & CEO (Taiju Hisai), who is the Representative Director, within the upper limit set forth by resolution of the General Meeting of Shareholders, based on the policy resolved by the Board of Directors and Compensation Committee. The Company will take measures to ensure that the authority of the President & CEO is appropriately exercised as follows. Regarding stock compensation, the Company Shares, etc. corresponding to share conversion points calculated based on the regulations for share delivery, which were stipulated by the resolution of the Board of Directors, shall be provided.

[Measures to ensure that the delegated Authority is properly exercised]

- Basic remuneration is determined based on certain pre-established standards (remuneration table) that are deliberated by the Compensation Committee.
- The following shall apply to the portion of the bonus linked to the company-wide performance:
  - KPIs are established according to numerical targets discussed at the Board of Directors.
  - The amount to be paid is determined according to the achievement rate of the KPIs based on a predetermined payment coefficient deliberated by the Compensation Committee.
  - The results of the company-wide performance evaluation and the amount to be paid are subsequently reported to the Compensation Committee for verification.

In addition, the following shall apply to the portion of the bonus linked to operational responsibilities:

- After deliberations in advance by the Compensation Committee, an evaluation sheet (an evaluation sheet providing details on predetermined targets, weighting of individual targets, and evaluation criteria) is finalized.
- After the individual duties are evaluated based on the evaluation sheet, the results and amount to be paid are subsequently reported to the Compensation Committee for verification.

- For stock compensation, points corresponding to the position and number of months in office of the relevant person at the end of every fiscal year are granted based on the prescribed standards as per the regulations for share delivery, which are resolved by the Board of Directors. In principle, the performance-linked factor, which is determined upon the completion of the Medium-term Management Plan every three years shall also be as per the regulations for share delivery.
- Non-monetary remuneration related to the provision of company housing:

The company housing to be provided shall be a general standard property, and the maximum rent shall be established in advance based on position and geographical area.

The Company housing rent calculated based on the predetermined percentage (if the maximum rent is exceeded, the full amount of the excess amount is added) shall be collected from the Director as their own expenses.

(There are currently no eligible officers who are provided with company housing.)

・The Amounts of Remuneration, etc. for Directors have been resolved at the General Meeting of Shareholders as follows.

Type of Remuneration	Amount of Remuneration, etc.	Date of Resolution by the General Meeting of Shareholders	Number of Applicable Directors at the Time of the Resolution of the General Meeting of Shareholders Becoming Effective*	Number of eligible Directors as of June 26, 2025
Directors (excluding Directors who are Audit & Supervisory Committee Members)				
Monetary Remuneration (total of basic remuneration and bonus)	Annually ¥800 million	February 26, 2021	10	8
Of these, Outside Directors	Annually ¥100 million		3	3
Non-monetary Remuneration related to the Provision of Company Housing	Monthly ¥2 million		7 Excluding Outside Directors	0 (No eligible Directors)
Stock Compensation		June 27, 2023	4 Excluding Non-executive Directors and Directors not residing in Japan	4
Trust Contribution Amount	Annually ¥800 million During subject period ¥2,400 million			
Number of Shares Delivered	Annually 1,550 thousand shares During subject period 4,650 thousand shares			

* The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) related to the amount of remuneration is not specified.

c. Matters concerning Calculation of Performance-based Compensation

The amount of performance-based compensation is calculated using the designated formula based on the achievement rate of each KPI.

[Bonus]

- The KPIs for evaluating company-wide performance used for bonuses for Executive Directors are (i) net income attributable to owners of the parent (weighted at 70%), (ii) ROA (weighted at 15%), and (iii) ROE (weighted at 15%).
- The targets and results for the fiscal year ended March 31, 2025 are as follows.

KPI	Target	Result	Achievement Rate	Evaluation Weight
Net Income Attributable to Owners of the Parent	¥135.0 billion	¥135.1 billion	100.1%	70%
ROA	1.2%	1.2%	100.0%	15%
ROE	8.0%	7.8%	97.5%	15%

- For the portion linked to operational responsibilities of Executive Directors other than the Representative Director, the President & CEO will use a standard evaluation sheet to perform quantitative and qualitative evaluations from the standpoint of performance and contribution. Performance targets are set based on the environment of the business in charge, the previous year's performance, and other factors according to the responsibilities of each Director, and evaluations are performed taking into account the respective performance and contribution.

[Stock Compensation]

- The KPIs for stock compensation for executive directors are (i) net income attributable to owners of the parent (weighted at 60%), (ii) ROA (weighted at 10%), (iii) ROE (weighted at 10%), and (iv) TSR against TOPIX growth rate (weighted at 20%).
- The targets for the period of the Medium-term Management Plan (FY2023 - FY2025) are as follows.

KPI	Target	Result	Achievement Rate	Evaluation Weight
Net Income Attributable to Owners of the Parent	¥160.0 billion	–	–	60%
ROA	Approx. 1.5%	–	–	10%
ROE	Approx. 10%	–	–	10%
TSR	TOPIX growth rate	–	–	20%

* Achievement rates for KPIs related to stock compensation are not listed as they will be confirmed after the end of the final fiscal year of the Medium-term Management Plan (FY2023 - FY2025).

d. Reasons for the Board of Directors' Determination that the Content of individual Remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members) for the Fiscal Year under Review is appropriate

The specific amount of basic remuneration and bonuses, as well as non-monetary remuneration for the provision of company housing are entrusted to the President & CEO within the upper limit set forth by resolution of the General Meeting of Shareholders. In addition, as the Company has taken measures as described in [Measures to ensure that the delegated authority is properly exercised] at b. (iii) above, there is a system for the Compensation Committee and the Audit & Supervisory Committee to confirm that individual remuneration, etc. for Directors is determined by procedures that are objective and transparent, and that the content is in line with the policy established by the Company. The Board of Directors has determined that the content of individual remuneration, etc. for each Director for the fiscal year under review is in line with the remuneration policy.

e. Details and Method of determining Remuneration, etc. of Directors (Audit & Supervisory Committee Members)

- For Directors (Audit & Supervisory Committee Members), from the standpoint of ensuring the fairness of audits, bonuses and stock-based compensation, which are incentive compensation, shall not be paid. Remuneration shall be limited to basic remuneration only.
- The amount of remuneration for Directors (Audit & Supervisory Committee Members) is to be determined through discussion by Directors who are Audit & Supervisory Committee Members within the range decided with the resolution of the General Meeting of Shareholders (the table below).

Type of Remuneration	Amount of Remuneration	General Meeting of Shareholders Date of Resolution	Number of Applicable Directors at the Time of the Resolution of the General Meeting of Shareholders Becoming Effective*	Number of eligible Directors as of June 26, 2025
Directors (Audit & Supervisory Committee Members)				
Monetary remuneration (basic remuneration)	Annually ¥200 million	February 26, 2021	5	4

* The number of Directors (Audit & Supervisory Committee Members) related to the amount of remuneration is not specified.

(ii) Total Amount of Remuneration, etc. by Officer Category, total Amount of Remuneration, etc. by Type, and Number of eligible Officers

Officer Category	Amount of Remuneration (Millions of Yen)	Total Amount of Remuneration, etc. by Type (Millions of Yen)				Number of eligible Officers (Persons)
		Fixed Remuneration (Basic Remuneration)	Performance-based Compensation (Bonus)	Performance-based Compensation (Stock Compensation)	Other	
Directors who are Not Audit & Supervisory Committee Members (excluding Outside Directors)	414	293	54	67	–	5
Directors who are Audit & Supervisory Committee Members (excluding Outside Directors)	49	49	–	–	–	2
Outside Directors	88	88	–	–	–	9

(Notes) 1. The amount of performance-based compensation is the total of the provision for bonuses for directors (and other officers) for the current fiscal year and the actual amount of bonuses for directors (and other officers) paid during the fiscal year, minus the provision for bonuses for directors (and other officers) recorded in the previous fiscal year.

2. The total amount for performance-based compensation (stock compensation) is the amount of expenses posted for points awarded during the fiscal year under review.

3. There were no payments of non-monetary compensation related to the provision of company housing during the fiscal year under review.

(iii) Total Amount of Remuneration, etc. paid by the Group to Each Officer

Name	Total Amount of Remuneration, etc. paid by the Group (Millions of Yen)	Officer Category	Company Category	Amount of Remuneration, etc. paid by the Group by Type (Millions of Yen)			
				Fixed Remuneration (Basic Remuneration)	Performance-based Compensation (Bonus)	Performance-based Compensation (Stock Compensation)	Other
Taiju Hisai	124	Director	Reporting Company	75	21	27	–

(Notes) 1. The amount of performance-based compensation is the total of the provision for bonuses for directors (and other officers) for the current fiscal year and the actual amount of bonuses for directors (and other officers) paid during the fiscal year, minus the provision for bonuses for directors (and other officers) recorded in the previous fiscal year.

2. The total amount for performance-based compensation (stock compensation) is the amount of expenses posted for points awarded during the fiscal year under review.

(5) Status of Shareholdings

(i) Investment Share Classification Standards and Approach

For the classification of investment shares for pure investment purposes and those for purposes other than pure investment, the Company classifies investment shares held solely for the purpose of targeting gains through fluctuations in the value of shares or the receipt of dividends related to shares into investment shares for pure investment purposes; and classifies those with a view to developing long-term and stable relationships with business partners and promoting business, and those for the purpose of strengthening relationships based on continuous capital and business alliances into investment shares for purposes other than pure investment.

(ii) Investment Shares for Purposes Other than Pure Investment

a. Methods of Verifying the Shareholding Policy and the Reasonableness of Shareholdings, and the Content of the Verification by the Board of Directors, etc. concerning the Rationality of the Holding of individual Issues

Under the corporate policy of enhancing its corporate value, the Company holds shares for purposes other than pure investment with a view to "developing stable and long-term relationships with business partners, promoting business," along with "strengthening such relationships based on capital/business alliances, and creation of new business opportunities." The Company's basic policy is to examine annually if it is rational to hold each stock and sell such shares when it is judged no longer rational to hold them, taking into account the impacts on business and markets, and after obtaining understanding from business partners. Even when it is judged rational to hold shares, the Company may sell such shares in consideration of the impact of the risk of mark-to-market valuation fluctuations of the shares on the Company's finance, capital efficiency, etc. (Out of investment shares for purposes other than pure investment, the description herein refers to shares other than unlisted stocks.)

The methods for verifying the rationality of the shareholdings employ the following main items to verify: (i) A quantitative evaluation based on factors including the size of business transactions/profit, dividends received, and capital costs, (ii) A qualitative evaluation of the business activities to date and potential business opportunities in the future. The Board of Directors verifies the rationality of shareholdings.

The Company examined all of the relevant investment shares using the above methods at the Board of Directors meeting held in the fiscal year ended March 2025.

b. Number of Issues and Amount recorded on the Balance Sheet

	Number of Issues (Issues)	Total Amount recorded on the Balance Sheet (Millions of Yen)
Unlisted Stocks	88	5,870
Stocks other than unlisted Stocks	23	13,213

(Issues that increased in the Number of Shares held in the Fiscal Year under Review)

	Number of Issues (Issues)	Total Acquisition Cost related to an Increase in the Number of Shares held (Millions of Yen)	Reason for the Increase in the Number of Shares
Unlisted Stocks	11	1,221	Invested in startups with the aim of promoting the creation of new services and development of new businesses.
Stocks other than unlisted Stocks	–	–	–

(Note) Issues with an increased or decreased number of shares do not include changes caused by stock consolidation, stock splits, stock transfers, stock exchange, mergers, etc.

(Issues that decreased in the Number of Shares held in the Fiscal Year under Review)

	Number of Issues (Issues)	Total Sales Amount related to a Decrease in the Number of Shares held (Millions of Yen)
Unlisted Stocks	12	363
Stocks other than unlisted Stocks	13	3,954

c. Information on the Number of specified Investment Stocks and Deemed Holdings of Shares by Issue and Amounts recorded on the Balance Sheet, etc.

Specified Investment Stock

Issues	During the Fiscal Year under Review	Previous Fiscal Year	Purpose of Holding, Overview of Business Alliance, etc., Quantitative Holding Effect and Reason for Increase in the Number of Shares	Holding of Shares in the Company
	Number of Shares (Shares)	Number of Shares (Shares)		
	Amount recorded on the Balance Sheet (Millions of Yen)	Amount recorded on the Balance Sheet (Millions of Yen)		
Aeon Co., Ltd.	851,092	901,092	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment. During the fiscal year under review, the Company sold a portion of its shareholding.	No
	3,191	3,239		
Tokyo Ohka Kogyo Co., Ltd.	562,689	562,689	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	No
	1,742	2,576		
Tokai Corp.	768,634	768,634	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	Yes
	1,606	1,683		
Okuma Corporation	443,200	221,600	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment. Please note that a 2-for-1 split of ordinary shares was carried out on October 1, 2024. The number of shares for the fiscal year under review are after the share split.	Yes
	1,511	1,577		
Okaya & Co., Ltd.	152,400	76,200	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment. Please note that a 2-for-1 split of ordinary shares was carried out on September 1, 2024. The number of shares for the fiscal year under review are after the share split.	Yes
	1,063	1,288		
Zeria Pharmaceutical Co., Ltd.	302,964	302,964	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	Yes
	683	645		
Mitsubishi Research Institute, Inc.	144,500	216,500	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment. During the fiscal year under review, the Company sold a portion of its shareholding.	No
	678	1,073		
Jeol Ltd.	125,000	125,000	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	No
	572	782		

Issues	During the Fiscal Year under Review Number of Shares (Shares) Amount recorded on the Balance Sheet (Millions of Yen)	Previous Fiscal Year Number of Shares (Shares) Amount recorded on the Balance Sheet (Millions of Yen)	Purpose of Holding, Overview of Business Alliance, etc., Quantitative Holding Effect and Reason for Increase in the Number of Shares	Holding of Shares in the Company
GS Yuasa Corporation	142,400	142,400	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	No
	339	447		
Nippo Ltd.	134,000	134,000	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	No
	313	216		
SENKO Group Holdings Co., Ltd.	179,450	179,450	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	Yes
	270	205		
Tokai Tokyo Financial Holdings, Inc.	543,937	633,937	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment. During the fiscal year under review, the Company sold a portion of its shareholding.	Yes
	263	386		
The Torigoe Co., Ltd.	212,000	212,000	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	No
	174	151		
AeroEdge Co., Ltd.	57,140	57,140	The Company entered into a business alliance agreement with the said company for the purpose of strengthening collaboration on accelerating DX and SDGs in the aviation industry. Held to maintain and strengthen cooperative relationships with the said company, mainly in the area of DX for parts production in the aviation industry and others.	No
	144	183		
Japan Transcity Corporation	150,491	150,491	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	No
	133	101		
Iseki & Co., Ltd.	115,000	115,000	The Company entered into a business alliance agreement with the said company for the purpose of providing financial services related to agricultural machines and others sold by the said company's group. Held to maintain and strengthen partnership in the agricultural sector.	No
	124	118		
Meito Sangyo Co., Ltd.	51,070	101,970	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment. During the fiscal year under review, the Company sold a portion of its shareholding.	Yes
	101	181		

Issues	During the Fiscal Year under Review Number of Shares (Shares) Amount recorded on the Balance Sheet (Millions of Yen)	Previous Fiscal Year Number of Shares (Shares) Amount recorded on the Balance Sheet (Millions of Yen)	Purpose of Holding, Overview of Business Alliance, etc., Quantitative Holding Effect and Reason for Increase in the Number of Shares	Holding of Shares in the Company
Mitsumura Printing Co., Ltd.	48,800	48,800	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	Yes
	64	80		
Imuraya Group Co., Ltd.	26,302	26,302	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	No
	63	66		
Nagoya Railroad Co., Ltd.	30,600	183,000	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment. During the fiscal year under review, the Company sold a portion of its shareholding.	Yes
	53	396		
Yahagi Construction Co., Ltd.	39,600	39,600	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	No
	50	61		
Yamada Holdings Co., Ltd.	100,000	100,000	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	No
	43	44		
Yamanaka Co., Ltd.	40,000	40,000	Mainly held to maintain and strengthen comprehensive business relationships including leases in the Customer Solutions segment.	Yes
	22	27		
Shimadzu Corporation	–	430,000	The Company held the shares to maintain and strengthen the relationship, but sold all of its shareholding during the fiscal year under review.	No
	–	1,818		
Bangkok Bank Public Co., Ltd.	–	920,000	The Company held the shares to maintain and strengthen the cooperative relationships, but sold all of its shareholding during the fiscal year under review.	No
	–	531		
Nachi-Fujikoshi Corp.	–	113,000	The Company held the shares to maintain and strengthen the relationship, but sold all of its shareholding during the fiscal year under review.	No
	–	394		
JTower Inc.	–	50,641	The Company held the shares to maintain and strengthen the cooperative relationships, but sold all of its shareholding during the fiscal year under review.	No
	–	200		
JDC Corporation	–	250,000	The Company held the shares to maintain and strengthen the relationship, but sold all of its shareholding during the fiscal year under review.	No
	–	134		

Issues	During the Fiscal Year under Review	Previous Fiscal Year	Purpose of Holding, Overview of Business Alliance, etc., Quantitative Holding Effect and Reason for Increase in the Number of Shares	Holding of Shares in the Company
	Number of Shares (Shares)	Number of Shares (Shares)		
	Amount recorded on the Balance Sheet (Millions of Yen)	Amount recorded on the Balance Sheet (Millions of Yen)		
Okamura Corporation	–	38,160	The Company held the shares to maintain and strengthen the relationship, but sold all of its shareholding during the fiscal year under review.	No
	–	86		
Altech Co., Ltd.	–	40,080	The Company held the shares to maintain and strengthen the relationship, but sold all of its shareholding during the fiscal year under review.	No
	–	12		
JAPAN CRAFT HOLDINGS CO., LTD.	–	58,000	The Company held the shares to maintain and strengthen the relationship, but sold all of its shareholding during the fiscal year under review.	No
	–	9		

(Notes) 1. The quantitative holding effect is verified for each individual issue using the method described in (ii) a. above, but is not described for confidentiality reasons.

2. A hyphen "–" indicates that the Company does not hold the relevant issue.

(iii) Investment Stocks for Pure Investment Purposes

Category	During the Fiscal Year under Review		Previous Fiscal Year	
	Number of Issues (Issues)	Total Amount recorded on the Balance Sheet (Millions of Yen)	Number of Issues (Issues)	Total Amount recorded on the Balance Sheet (Millions of Yen)
Unlisted Stocks	5	6,743	5	4,322
Stocks other than unlisted Stocks	1	1,465	–	–

Category	During the Fiscal Year under Review		
	Total Dividends received (Millions of Yen)	Total Gain (Loss) on Sale (Millions of Yen)	Total unrealized Gains (Losses) (Millions of Yen)
Unlisted Stocks	63	–	923 [(301)]
Stocks other than unlisted Stocks	–	–	(535)

(Note) The figure shown in parentheses in the column of "Total unrealized Gains" separately indicates the amount recognized as impairment losses for the fiscal year under review.

(iv) Investment shares whose holding purpose changed from pure investment to a purpose other than pure investment in the fiscal year under review

Not applicable.

(v) Investment shares reclassified from for purposes other than pure investment to for pure investment purposes in the fiscal year under review and the four fiscal years prior to the fiscal year under review

Not applicable.