Unveiling the first Medium-term Management Plan of the Mitsubishi HC Capital Group

I am Taiji Hisai, and I have been appointed to assume the role of President & CEO from April 2023. I am grateful for your continued support.

The Mitsubishi HC Capital Group was born in April 2021 through the integration of Mitsubishi UFJ Lease & Finance and Hitachi Capital. The two-year post-merger integration process has progressed smoothly as we planned. Now this fiscal year ending March 2024 will mark the kick-off of the first post-integration Medium-term Management Plan. This signifies the excellent starting point of the new company as we move to the next phase of further growth.

The Mitsubishi HC Capital Group has stated Our 10-year Vision as “Together we innovate, challenge and explore the frontiers of the future.” This has been set as a milestone to achieve Our Mission, which is our long-term goal. The launch of the new Medium-term Management Plan is the first step toward realizing Our 10-year Vision. Therefore, every executive and employee is coming together as one to execute the plan.

Amid the monumental change occurring in our business environment and society on a global basis, there is no future for those who simply stay on the same path. That is why the Mitsubishi HC Capital Group will, as always, leverage our global experience and expertise to be an innovator who ventures into unexplored fields and creates innovation together with our customers and partners.

The Mitsubishi HC Capital Group will continue to transform and evolve.
Please look forward to our progress.

[Image of Taiji Hisai]
Together we innovate, challenge and explore the frontiers of the future.

**CX** We can achieve “Customer Experience” by implementing “Corporate Transformation”.

**SX** Sustainability Transformation

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

**DX** Digital Transformation

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

**Business Portfolio Transformation**

I. “Develop” new businesses

We will develop new businesses and domains to create new revenue sources by utilizing stable cash flows and the wide-ranging customer base of existing businesses.

II. Shift existing business to high value-added services

We will shift to high value-added services by maintaining and expanding the customer base of existing businesses, increasing returns on investment by improving customer experience.

III. Enhance profitability and efficiency of existing businesses

Enhance profitability and efficiency of existing businesses that create stable cash flows.

Our 10-year Vision

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

To achieve Our Mission, continue to be an “innovator (who ventures into unexplored fields and creates innovation)”, who challenges the frontiers of the future without being bound by precedents.

Anticipate the changes in society and the business environment including changes in global industrial structures, accelerating digitalization and the increasing importance of sustainability, and continue addressing social issues that can be solved only by Mitsubishi HC Capital through approaches such as SX (sustainability transformation) and DX (digital transformation) with customers and partners.
Our Business

Greater and more expansive strengths. Mitsubishi HC Capital’s five areas of focus.

Mitsubishi HC Capital develops an advanced asset business beyond a leasing company. As a partner that can support customers in their own ambitious endeavors, we will provide new value with a pioneering spirit.

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<th>The Five Areas of Focus</th>
<th>Specific Efforts</th>
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| Social Infrastructure & Life | • Management and operation of office buildings, commercial facilities, hotels, logistics real estates, etc.  
• PPF/IFP business for public facilities such as gymnasiums  
• Real estate leasing, securitization, and revitalization investment businesses  
• Healthcare business, medical equipment installation support  
• Participation in overseas infrastructure projects |
| Environment & Energy | • Renewable energy generation including solar and wind, electricity retail business, and related asset management  
• Investment and loan in renewable energy power generation businesses and funds  
• Environmental support services  
• EESCO* |
| Sales Finance | • Support for schemes and finance for the installation of machinery and equipment  
• Partner leasing (sales support finance services for vendors)  
• Support for overseas finance utilizing our global network  
• Sales and purchasing of used machinery focusing on lease-completed property |
| Mobility | • Total services for vehicle leasing and vehicle management  
• Maintenance and customization of special purpose vehicles (vehicles for disability and aged care purposes, garbage trucks, etc.)  
• Risk management services (provide driving safety courses, safety management system assessments, etc.)  
• Vehicle purchasing  
• Vehicle web management system  
• MasS* |
| Global Assets | • Aircraft leasing  
• Aircraft engine leasing  
• Marine container leasing  
• Railcar leasing |

*Public-private partnership  
*2 Private Finance Initiative/social capital initiative using private funds  
*3 E.S.C.O. (Efficiency Service Company)  
*4 Mobility as a Service: The integration of various transportation services into one mobility service that can be utilized in accordance with demand,
Our history up to now.
And our ever-accelerating actions as Mitsubishi HC Capital.

Mitsubishi UFJ Lease & Finance, a bank- and trading house-affiliated leasing company, and Hitachi Capital, a manufacturer-affiliated leasing company, had developed their respective businesses in various fields around the world and cultivated unique strengths and knowledge. Our merger gives us more expansive power to create new value to meet the ever-changing needs of society and customers by integrating both predecessor companies’ strengths which we could not have achieved separately.

Mitsubishi UFJ Lease & Finance

Mitsubishi UFJ Lease & Finance was born in 2007 out of a merger of Tokai Bank (now MUFG Bank) and UFJ Capital Leasing, established in 1969, and Mitsubishi Bank (now MUFG Bank) affiliate Diamond Leasing, established in 1971. It sprouted immense growth through operating business beyond the traditional bounds of leasing and factoring, including through M&As and partnerships. Based on its expertise in tangible and intangible assets, the company aimed to reach major-market-relevant social issues as an “Asset Business Platform Company” that exhibits asset value creatively.

2016
Capital and business alliance

2017
Established the Japan Infrastructure Initiative, an open finance platform supporting the infrastructure industry, through a joint investment

May 2021
Acquired shares in Trung Nam Wind Power (SG), who develops and operates a wind power generation business in Vietnam, entering the Vietnamese wind power market

October 2021
Announced support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

October 2021
Invested in hydrogen-powered aircraft startup Universal Hydrogen in the U.S.

July 2021
Completed the Tokorozawa Kitazawa Solar Power Plant, which performs the solar sharing of providing solar power to the city of Tokorozawa in Saitama Prefecture, and cultivating blueberries and other fruits

Hitachi Capital

Hitachi Capital was born in the year 2000 from a merger of Hitachi Credit (Tokyo Hitachi Home Electric Appliance (Geppanhana), established in 1957, and Japan’s first manufacturer-affiliated leasing company, Hitachi Leasing (established 1969). It contributed to the development of countries and regions worldwide through practice of global expansion and business-oriented businesses.

Demonstrating its strength in its traditional business of sales finance, it has expanded into such business areas as social infrastructure, renewable energy and mobility. With its diversity of partners, it focused on creating new social value.

November 2021
Purchased 35 new-generation aircraft engines that have high fuel efficiency in the aircraft-engine leasing business

September 2021
Acquired a 5% stake in a solar power project in the state of California, the U.S.

November 2021
Acquired all shares in major marine container leasing company in the U.S., CSM International, making it a wholly-owned subsidiary

December 2021
Identifies and announces the three materialities as priority key challenges that Mitsubishi HC Capital Group must address for sustainable development
(1) Promote a decarbonized society
(2) Realize the circular economy
(3) Establish resilient social infrastructure
(4) Realize healthy lifestyles that promote positive well-being
(5) Collaborate with partners locally and globally
Company Profile

Marunouchi Office

Trade name
Mitsubishi HC Capital Inc.

Location of head office
5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Name and title of representative
President & CEO Teiju Hisai

Number of employees
Consolidated: 8,803, Parent: 2,235
(As of March 31, 2022)

Line of business
Leasing for various types of properties, installment sales for various types of properties, various types of financing, etc.

Stock listing
Tokyo Stock Exchange (TSE) Prime Market
Nagoya Stock Exchange (NSE) Premier Market

Stated capital
33,196 million yen

Received the “IT Encouragement Award” at the FY2021 IT Awards
At the “FY2021 (39th) Information Technology Award” hosted by the Japan Institute of Information Technology, we received the IT Encouragement Award (management area) as commendation for our efforts in “system response to the business merger.” This makes the fifth consecutive year we have received IT Encouragement Awards when taking into account those received by the former Hitachi Capital.

Certified as the 2022 Health & Productivity Management Outstanding Organization (Large Enterprise Category)
In recognition of our efforts to enable employees to work lively and healthy, we were certified as a “2022 Health & Productivity Management Outstanding Organization (Large Enterprise Category)” under the “Certified Health & Productivity Management Outstanding Organizations Recognition Program,” established by the Ministry of Economy, Trade and Industry.

Received “Platinum Kurumin” Certification
We received “Platinum Kurumin” certification from the Ministry of Health, Labour and Welfare as a company that provides outstanding support for childcare based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

Received “Enuboshi” Certification
We received “Enuboshi” certification from the Ministry of Health, Labour and Welfare as a company that implements superior initiatives for promoting women’s participation in the workplace by meeting all certification standards based on the Act on Promotion of Women’s Participation and Advancement in the Workplace.

Selected as an index stock for Socially Responsible Investment (SRI)
As a company with excellence in the ESG (environmenal, social, and governance) performance, we have been selected for representative SRI indices. For more details, please view our corporate site.

Social Contribution

Mitsubishi HC Capital places focus on “Environment,” “Human Cultivation,” “Welfare and Health,” “Safety and Security” and “Regional Contribution.” With our Basic Management Policy at the core, we will continuously contribute to solving social issues through social contribution activities.

Supporting the Activities of Artists with Disabilities
We cooperate with the “Artability Award,” which supports artists with disabilities, and award the “Mitsubishi HC Capital Special Award.” Works registered with “Artability” are used in various types of media including corporate and local government publictions, and the royalties are distributed back to the artists. The award organized by us is awarded to artists who have a “pioneering and challenging spirit” and are in active in continuing to take up new challenges, and is decided by employee votes.

Participating in the “Growing Low Pollen Forests Campaign (Company Forests)”
We participate in the “Growing Low Pollen Forests Campaign (Company Forests),” promoted by the Tokyo Development Foundation for Agriculture, Forestry and Fisheries. The “Growing Low Pollen Forests” involves cutting down planted forests of cedar and hinoki cypress trees that disperse large amounts of pollen, and replacing them with cedar trees that give off less pollen, in addition to reducing hay fever, the campaign aims to proceed with the forest circulation to stabilize the supply of timber and reinvigorate the forest industry. We take part by cooperating in the “Company Forests: Forest of Mitsubishi HC Capital Group (Hachioji City, Tokyo; 25ha),” and regularly send employees to volunteer for planting and growing the trees.

*As of May 31, 2022