

*[NOTICE: This Notice of Convocation is a translation of the Japanese language original for convenience purposes only, and in the event of any discrepancy, the Japanese language original shall prevail.]*

Securities code: 8593

February 10, 2021

NOTICE OF CONVOCATION OF  
THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Notice is hereby given that the Extraordinary General Meeting of Shareholders (the “Meeting”) of Mitsubishi UFJ Lease & Finance Company Limited (the “Company”) will be held as described below.

The Company suggests that you, regardless of your health condition, exercise your voting rights by returning the completed voting form to the Company or electromagnetically (via the Internet) and consider refraining from attending the Meeting in person.

Please review the attached “Reference Materials Concerning the General Meeting of Shareholders” and exercise your voting rights.

Yours very truly,

Mitsubishi UFJ Lease & Finance Company Limited  
Takahiro Yanai  
President & CEO  
5-1, Marunouchi 1-chome,  
Chiyoda-ku, Tokyo

## PARTICULARS

1. Date and Time of the Meeting: Friday, February 26, 2021, at 10:00 a.m.  
(Reception scheduled to open at 9:30 a.m.)
2. Place of the Meeting: Tsuru (West), The Main Bldg. Banquet Floor, Hotel New Otani  
at 4-1 Kioi-cho, Chiyoda-ku, Tokyo  
Please note that the venue has been changed from the last meeting.
3. Matters to be dealt with at the Meeting:  
Matters for Resolution:

First Item of Business	Approval of the Merger Agreement between the Company and Hitachi Capital Corporation
Second Item of Business	Partial Amendments to the Articles of Incorporation
Third Item of Business	Election of 10 (Ten) Directors (Excluding Directors who are Audit and Supervisory Committee Members)
Fourth Item of Business	Election of 5 (Five) Directors who are Audit and Supervisory Committee Members
Fifth Item of Business	Determination of the Amount of Compensation for Directors (Excluding Directors who are Audit and Supervisory Committee Members)
Sixth Item of Business	Determination of the Amount of Compensation for Directors who are Audit and Supervisory Committee Members
Seventh Item of Business	Determination of the Amount and Other Details of the Compensation for Directors (Excluding Directors who are Audit and Supervisory Committee Members) in the Form of Stock Compensation-type Stock Options
Eighth Item of Business	Determination of the Amount and Other Details of the Non-monetary Compensation (Provision of Company Housing) for Directors (Excluding Directors who are Audit and Supervisory Committee Members)

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- ◎ Of the documents required to be provided at the time of this notice of convocation of the Meeting, the information contained in the financial statements for the most recent fiscal year of Hitachi Capital Corporation (from April 1, 2019 to March 31, 2020) is not included in this notice of convocation of the Meeting, as it is disclosed on the Company's website (<https://www.lf.mufg.jp/>), pursuant to laws and regulations, and the provisions of Article 15 of the Articles of Incorporation of the Company.
- ◎ If any matters included in the Reference Materials Concerning the General Meeting of Shareholders are to be modified, we will post the revised matters on our website (<https://www.lf.mufg.jp/>).

- End -

## **Request to Shareholders to Prevent the Infection and Spread of Novel Coronavirus (COVID-19)**

### **Request to Shareholders for Exercising Voting Rights**

- To prevent the spread of the novel coronavirus (COVID-19) as well as risks of infection to our shareholders, we suggest that shareholders exercise their voting rights by returning the completed voting form to the Company or via the Internet, regardless of their health condition, and consider refraining from attending the Meeting in person.

### **Request to Shareholders Attending the General Meeting in Person**

- Shareholders planning to attend the Meeting in person are requested to check the latest COVID-19 status in Japan on the date of the Meeting and their own health condition before attending the Meeting, as well as take appropriate precautions such as wearing masks to prevent infection.
- Shareholders attending in person may be asked to take their temperature before entering the venue and disinfect their hands with alcohol disinfectant. As part of our prevention measure, shareholders who are found to have poor health may not be permitted to enter the venue. In addition, the number of available seats at the venue will be limited to allow more spacing between shareholders, and we may need to restrict admission of shareholders who come to the venue.
- Officers and operating staff at the venue will be wearing masks. In addition, although the number of officers attending at the Meeting may be limited to a certain extent, any questions from our shareholders will be answered by those officers attending at the Meeting. We appreciate your kind understanding.
- Should any material changes arise to the operation of the Annual Shareholders' Meeting in response to the latest COVID-19 status, new information will be posted on the Company's website. If you have any questions, please contact us via our website.  
The Company's website: <https://www.lf.mufg.jp/>

## Guidance on Exercising Voting Rights

### If refraining from attending the Meeting

#### Exercise of voting rights in writing (voting right exercise form)

Please indicate your votes for or against the items of business on the enclosed voting right exercise form and send the completed form to the Company by return mail. Please note that if there is no indication of your vote for or against any item of business, we will deem that you have voted for that item of business.

**Deadline ►►► Thursday, February 25, 2021, reach the Company no later than 5:10 p.m.**

#### Exercise of voting rights via the Internet

Please access the voting right exercise website (<https://evote.tr.mufg.jp/>) via the Internet, and exercise your voting rights. Please note that the website is available in Japanese only.

**Deadline ►►► Thursday, February 25, 2021, no later than 5:10 p.m.**

For details, please review the “Instructions for Exercising Voting Rights via the Internet” shown on page 5.

If any voting right is exercised both via the Internet and by voting right exercise form, the one exercised via the Internet will be deemed valid. In cases where any voting right is exercised more than once via the Internet, the last voting right exercised will be deemed valid.

Electronic Voting Right Exercise Platform	Nominee shareholders (including standing proxies) such as trust and custody service banks can use the electronic voting right exercise platform operated by ICJ, Inc., if they have made prior applications to use the platform.
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### If attending the Meeting in person

Please submit the enclosed voting right exercise form to the receptionist at the Meeting. (Please note that the venue has been changed from the last meeting. Please refer to page 2 for details of the venue.)

If you are not attending the Meeting in person, you can designate one shareholder holding voting rights as your proxy to attend the Meeting. In such case, however, a document evidencing his/her appointment as proxy is required.

(If you are attending the Meeting in person, you are not required to exercise your voting rights in writing (voting right exercise form) or via the Internet.)

**Date and time of the Meeting ►►► Friday, February 26, at 10:00 a.m.**  
(Reception scheduled to open at 9:30 a.m.)

### <Instructions for Exercising Voting Rights via the Internet>

Please use your “login ID” and “temporary password” provided on the voting right exercise form to log on to the voting right exercise website (<https://evote.tr.mufg.jp/>), and state your approval or disapproval by following the instructions on the screen. Please note that the website is available in Japanese only.

#### Note

If you wish to change the content of your voting after exercising voting right once via smart exercise, please re-read the QR code and enter your “login ID” and “temporary password” provided on the voting right exercise form.

For inquiries regarding the system, etc. (Helpdesk)	Corporate Agency Division Mitsubishi UFJ Trust and Banking Corporation Phone: 0120-173-027 (Business hours: from 9:00 a.m. to 9:00 p.m., toll-free within Japan)
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[TRANSLATION]

REFERENCE MATERIALS CONCERNING  
THE GENERAL MEETING OF SHAREHOLDERS

**(Reference) Matters Common to All Items of Business**

While the Company has been engaged in collaboration with Hitachi Capital Corporation (“Hitachi Capital”), including the reinforcement of the two companies’ overseas infrastructure business, based on the capital and business alliance concluded in May 2016, the Company has determined that a business integration through merger (the “Business Integration”) is the optimal means to promptly adapt to drastic environmental changes and further open up new areas of the two companies’ advanced asset business.

As a result of the Business Integration, the two companies will become a global player in the sector in terms of size and business lines by being able to complement each other’s business domains and strengthen their respective management bases. Upon the Business Integration, a new integrated company (the “New Integrated Company”) will aim to create sustainable social value by operating an advanced asset business beyond the leasing business framework and providing customers with new value in countries and regions across the world.

The Company would kindly request its shareholders to approve the items of business, as proposed at the Meeting.

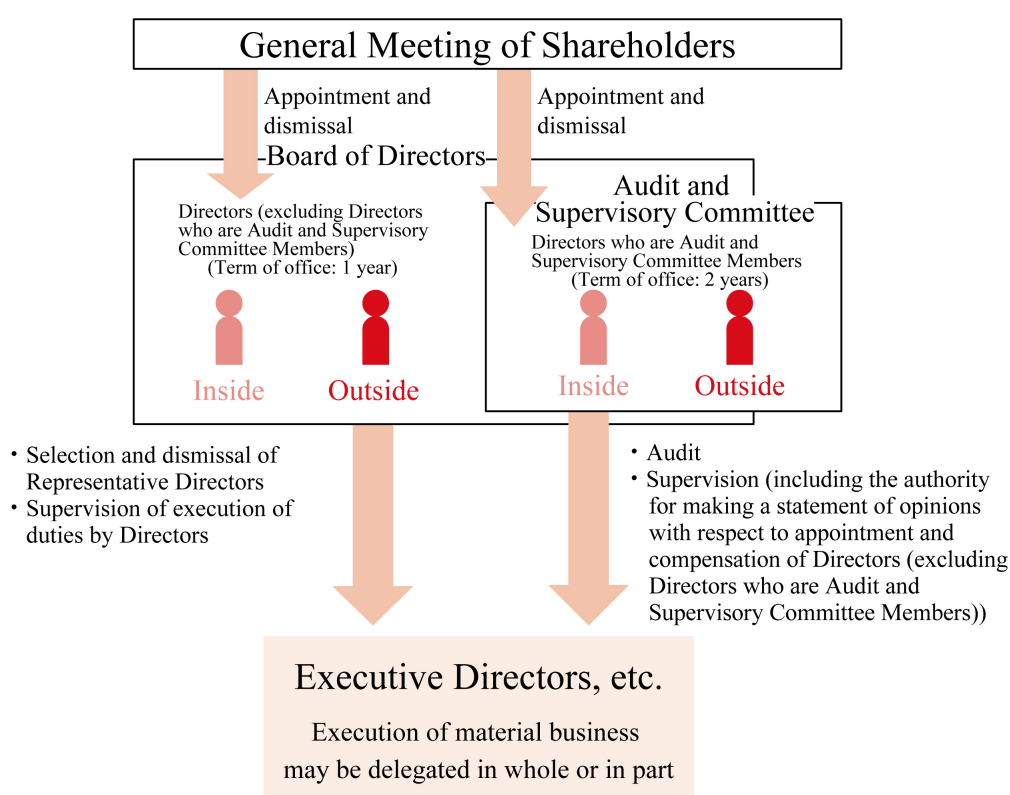
In response to the confidence and trust of all of its stakeholders, including shareholders and business partners, the Company has been working to continuously enhance its corporate governance, for the purpose of realizing the sound and sustainable growth of the Company’s group, and improving its corporate value over the medium to long-term. In carrying out the Business Integration, for the purpose of aiming to improve the fairness and transparency in business, to strengthen the supervisory function of the Board of Directors, and to further enrich the corporate governance system, the organizational form of the New Integrated Company after the Business Integration will be changed from the current company with a board of statutory auditors to a company with an audit and supervisory committee.

Please refer to the explanatory material regarding the Business Integration (“Business Integration” announced on September 24, 2020) posted on the Company’s website. The Company’s website: <a href="https://www.lf.mufg.jp/">https://www.lf.mufg.jp/</a>
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- Features of a company with an audit and supervisory committee
- 1. A company with an audit and supervisory committee is one of the several organizational designs created under the Act Partially Amending the Companies Act, enforced on May 1, 2015.
- 2. A company with an audit and supervisory committee does not have statutory auditors or a board of statutory auditors. Instead, an audit and supervisory committee conducts audits over the execution of duties by directors. The audit and supervisory committee comprises no less than three directors, the majority of whom shall be outside directors.
- 3. Directors who are audit and supervisory committee members have voting rights as directors at the board of directors, and participate in the general decision-making for business execution (excluding decision-making entrusted to directors), including decisions on proposals regarding the appointment and dismissal of directors, and the

selection and dismissal of representative directors. Furthermore, the audit and supervisory committee is entitled to express opinions at the general meeting of shareholders with respect to the appointment and compensation of directors (excluding directors who are audit and supervisory committee members). In these respects, the supervisory function over management will be strengthened compared to a company with a board of statutory auditors.

4. In a company with an audit and supervisory committee, when a majority of the directors are outside directors, or when relevant provisions are set forth in the Articles of Incorporation, decision-making authority regarding the execution of material duties (excluding those matters provided for in each of the items of Article 399-13, Paragraph 5 of the Companies Act) may be delegated, in whole or in part, to directors, based on the resolution of the board of directors, which enables the acceleration of the management decision-making process.



## Items of Business and Reference Matters

### **First Item of Business**                      Approval of the Merger Agreement between the Company and Hitachi Capital Corporation

The Company and Hitachi Capital (collectively, “both companies” or “two companies”) reached an agreement on September 24, 2020 regarding the Business Integration through a merger between both companies (the “Merger”) and concluded a business integration agreement and a merger agreement.

The reasons behind the Business Integration, details of the merger agreement, and other matters concerning this proposal are as follows, and the approval of shareholders regarding the merger agreement is kindly requested.

The Business Integration is scheduled to take effect on April 1, 2021, subject to the resolution for approval of this proposal as well as the proposal in the second item of business, as originally proposed.

Please refer to the explanatory material regarding the Business Integration (“Business Integration” announced on September 24, 2020) posted on the Company’s website.  
The Company’s website: <https://www.lf.mufg.jp/>

## **I. Reasons for the Business Integration**

### **1. Backgrounds of the Business Integration**

#### **(1) Changes in social situations and challenges**

In recent years, there have been drastic changes in the external environment as well as the trends and megatrends influencing domestic and international economies in the long term, such as climate change, shortages of resources, de-carbonization to break dependence on resources and fossil fuels, demographic changes, technological innovation, urbanization, the shifting of the global economy, and global multipolarization, all of which are accelerating.

Further, global expansion of the COVID-19 pandemic from year 2020 resulted in a paradigm shift for the overall economy and society, and qualitative restructuring of supply chains, digitalization to adapt to a data economy, and shifts from mass production and consumption to a circular economy in corporate activities, among other changes, are thought to make progress.

#### **(2) Common Challenges of the Two Companies**

In connection with these changes in the external environment, the roles required for leasing companies are changing to better resolve social issues through business investments and operations, in addition to conventional leases and finances.

Moreover, in both during and after the COVID-19 pandemic situation, 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 leasing companies, holding various asset-related functions and offering flexible services which are not limited to financial functions, will increase further.

As both companies have been closely cooperating with various industries, they have reached a conclusion that, as well as to contribute to various customers and local communities, and to create social value, while regarding these drastic environmental changes in society and the relevant industries as new business opportunities, it is necessary to further expand the operational bases and to strengthen the financial bases of both companies.



## **2. Purposes of the Business Integration**

The two companies have set the goal of sustainable enhancement of corporate value through the resolution of social issues to realize a rich society that can adapt to environmental change, as stated in the medium- to long-term corporate vision statements of their respective medium-term management plans.

With the Business Integration, the two companies will realize (i) complementing each other's business domains, (ii) strengthening their management bases, and (iii) creating new value based on (i) and (ii) and grow stronger, by developing the business as an integrated entity under a unified vision and philosophy.

### **(i) Complementing each other's business domains**

By building ideal, mutually complementary relationships, the New Integrated Company may establish an extensive and comprehensive lineup of businesses, and achieve diversification in its portfolios in terms of both business domains and geographical areas. This will help the New Integrated Company not only to establish a solid and stable revenue structure that will be less susceptible to the external environment, but also to increase profitability via expanded investment activities utilizing its enhanced capabilities.

### **(ii) Strengthening the management base**

The New Integrated Company aims to build strong management bases which will support sustainable growth through concentrating the management resources and expertise of the two companies, which are sources of corporate competitiveness, via utilization and enhancement of human resources, utilization of partner networks, reinforcement of financial bases, advancement of risk management, and promotion of digitalization.

### **(iii) Creating new value**

The New Integrated Company is intended to offer new value beyond the framework of traditional leasing companies to customers by entering into new business domains and geographical areas, as well as strengthening and expanding the focal business domains of the two companies.

Due to the Business Integration, the New Integrated Company will be one of the largest global players in the industry in terms of both its size and business domains, with 10 trillion yen of total assets, over 100 billion yen of net profit, and nearly 10,000 employees. The New Integrated Company will accurately capture the changing needs of its customers and local communities in countries and regions across the world, and utilize its expanding scale and built-up capital to develop into a company that can provide solutions to modern social issues.

## II. Details of the Merger Agreement

The details of the merger agreement concluded on September 24, 2020 between the Company and Hitachi Capital are as follows.

### Merger Agreement

Mitsubishi UFJ Lease & Finance Company Limited (“MUL”) and Hitachi Capital Corporation (“HC”) enter into an agreement (this “Agreement”) as of September 24, 2020 (the “Execution Date”), regarding a merger between MUL and HC as follows.

#### Article 1 (Method of the Merger)

1. Pursuant to this Agreement, MUL and HC shall conduct an absorption-type merger (the “Merger”), where MUL will be the company surviving the absorption-type merger, and HC will be the company disappearing in the absorption-type merger.
2. The trade names and addresses of the company surviving the absorption-type merger and the company disappearing in the absorption-type merger regarding the Merger are according to each of the following items:
  - (1) Company surviving the absorption-type merger  
Trade name: Mitsubishi UFJ Lease & Finance Company Limited  
Address: 5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
  - (2) Company disappearing in the absorption-type merger  
Trade name: Hitachi Capital Corporation  
Address: 3-1, Nishi Shimbashi 1-chome, Minato-ku, Tokyo

#### Article 2 (Matters regarding the Consideration Payable for the Merger)

1. Upon the Merger, MUL shall deliver MUL shares to shareholders of HC as monies, etc., in exchange for HC shares held by such shareholders. The number of shares to be delivered will be calculated by multiplying 5.10 by the total number of HC shares (except for the number of shares subject to the exercise of appraisal rights pursuant to Article 785, paragraph 1 of the Companies Act) held by HC’s latest shareholders on the date immediately preceding the Effective Date (defined in Article 4, paragraph 1) (however, such shareholder does not include MUL and HC. The “Shareholder Subject to Allotment”).
2. Upon the Merger, MUL shall deliver a number of common stock of MUL to each Shareholder Subject to Allotment, calculated by multiplying 5.10 by the number of HC’s common stocks held by such Shareholder Subject to Allotment (except for the number of shares subject to the exercise of appraisal rights pursuant to Article 785, paragraph 1 of the Companies Act).

#### Article 3 (Matters Regarding the Stated Capital and Reserves of the Company Surviving the Merger)

None of the stated capital, capital reserves, or retained earning reserves of MUL will be increased by the Merger.

#### Article 4 (Effective Date)

1. The date on which the Merger will become effective (the “Effective Date”) shall be April 1,

2021.

2. Notwithstanding the preceding paragraph, if it is necessary in accordance with the progress, etc. of the procedures of the Merger, the Effective Date could be amended upon discussion and agreement between MUL and HC.

#### **Article 5 (Merger Approval Shareholders Meeting)**

MUL and HC shall hold a shareholders meeting (the “Merger Approval Meeting”), respectively, by the date immediately preceding the Effective Date, and require a resolution regarding the approval of this Agreement.

#### **Article 6 (Amendment to the Articles of Incorporation)**

1. After the execution of this Agreement, MUL and HC shall agree, upon discussion, on the trade name of MUL upon completion of the Merger.
2. MUL shall be changed into a company with an audit and supervisory committee as of the Effective Date.
3. MUL and HC shall agree, upon discussion, on the contents of the Articles of Incorporation of MUL upon completion of the Merger, including the agreement on the preceding two paragraphs. Pursuant to such agreement, MUL shall, at the Merger Approval Meeting of MUL, submit an agenda item to amend the Articles of Incorporation of MUL, subject to fulfillment of the conditions precedent that the Merger has become effective, and require a resolution for the approval thereof.

#### **Article 7 (Officers on and after the Effective Date)**

1. The directors of MUL as of the Effective Date shall be as follows:
  - (1) The number of MUL’s directors as of the Effective Date shall be seventeen (17), of which twelve (12) among those are directors who are not members of the audit and supervisory committee, and five (5) are directors who are members of the audit and supervisory committee.
  - (2) Among the directors who are not members of the audit and supervisory committee of MUL as of the Effective Date, MUL and HC each designate six (6) directors and four (4) directors, respectively, as candidates, and the remaining two (2) members shall be designated with both parties’ agreement.
  - (3) Among the directors who are members of the audit and supervisory committee of MUL as of the Effective Date, MUL and HC each designates three (3) directors and two (2) directors, respectively, as candidates.
2. At the Merger Approval Meeting of MUL, MUL shall submit agenda items to appoint the persons who were designated pursuant to the preceding paragraph to the directors of MUL as of the Effective Date, subject to fulfillment of the condition precedent that the Merger has become effective, and require resolutions for the approval thereof.

#### **Article 8 (Management, etc., of the Company’s Property)**

From the Execution Date until the Effective Date, MUL and HC shall execute their operations of business and manage and operate their properties, respectively, with the due care of a prudent

manager, and have their subsidiaries do the same.

**Article 9 (Granting Voting Rights to HC's Shareholders)**

By the date immediately preceding the Effective Date, MUL shall pass a resolution at its Board of Directors meeting to the effect that, pursuant to Article 124, paragraph 4 of the Companies Act, on condition that the Merger takes effect, voting rights at MUL's annual shareholders meeting scheduled to be held in June 2021 will be granted to the common shareholders of HC to whom common shares in MUL are allotted and delivered upon the Merger.

**Article 10 (Amendments and Termination of this Agreement)**

From the execution of this Agreement through to the Effective Date, if any of the following items apply, MUL and HC may, upon mutual good-faith discussion, amend the terms of the Merger, otherwise amend this Agreement, or terminate this Agreement:

- (1) An event has occurred or has been discovered that has a material adverse effect on any business, financial conditions, business performance, or other circumstances of MUL or HC;
- (2) this Agreement is not approved at MUL's or HC's Merger Approval Meeting;
- (3) the agenda item to amend the Articles of Incorporation that is set forth in Article 6 is not approved at MUL's Merger Approval Meeting;
- (4) the agenda items to appoint directors that are set forth in Article 7, paragraph 2 are not approved at MUL's Merger Approval Meeting;
- (5) the resolution at a Board of Directors' meeting that is set forth in the preceding Article is not passed;
- (6) a circumstance has occurred or has been discovered that materially hinders implementation of the Merger; or
- (7) it has otherwise become extremely difficult to achieve the purpose of the Merger.

**Article 11 (Effect of this Agreement)**

This Agreement shall cease to be effective if any one of the following items applies:

- (1) Both parties agree to terminate this Agreement;
- (2) on the date immediately preceding the Effective Date, any of the approvals and the like required by laws or regulations (including foreign laws or regulations) to implement the Merger have not been obtained from the relevant authorities; or
- (3) this Agreement is terminated in accordance with the preceding Article.

**Article 12 (Governing Law and Jurisdiction)**

1. This Agreement shall be governed by, and construed in accordance with, the laws of Japan.
2. All disputes that may arise between MUL and HC in relation to this Agreement shall be

subject to the exclusive agreed jurisdiction of the Tokyo District Court in the first instance.

**Article 13 (Matters for Discussion)**

In addition to what is provided for in this Agreement, matters necessary for the Merger shall be determined upon discussion and agreement between MUL and HC in accordance with the purport of this Agreement.

IN WITNESS WHEREOF, the parties shall execute this Agreement in duplicate by affixing their respective names and seals, and retain one copy each.

September 24, 2020

5-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo  
Mitsubishi UFJ Lease & Finance Company Limited  
Takahiro Yanai  
President and Representative Director  
Seal

3-1, Nishi Shimbashi 1-chome, Minato-ku, Tokyo  
Hitachi Capital Corporation  
Seiji Kawabe  
Representative Executive Officer, President and  
Chief Executive Officer  
Seal

### III. Outline of the matters provided for in each of the items of Article 191 of the Regulation for Enforcement of the Companies Act

#### 1. Matters concerning the appropriateness of the provisions regarding the matters listed in Article 749, Paragraph 1, Items 2 and 3 of the Companies Act (Article 191, Item 1 of the Regulation for Enforcement of the Companies Act)

- (1) Matters concerning the appropriateness of the number of shares delivered upon the Merger, as well as the appropriateness of the allotment of these shares
  - 1) Details of share allotment pertaining to the Merger

Party	Mitsubishi UFJ Lease (The surviving company)	Hitachi Capital (The merged company)
Merger ratio ("Merger Ratio")	1	5.10
Number of shares to be allotted upon the Business Integration	Common stock: 571,079,267 shares (scheduled)	

(Notes)

1. Merger Ratio  
5.10 shares of Mitsubishi UFJ Lease's common stock will be delivered by allotment for one share of Hitachi Capital's common stock. However, the terms and conditions of the Merger including the Merger Ratio may be changed through the discussion between the two companies in the event of any material adverse effect on the two companies' businesses, financial situations, business performance, or other circumstances. As to the treasury shares held by Hitachi Capital (7,940,885 shares as of June 30, 2020; 106,000 shares held in trust for the performance-based stock compensation plan for the executive officers are excluded; hereinafter the same) and shares in Hitachi Capital held by Mitsubishi UFJ Lease (4,909,340 shares as of March 31, 2020), shares in Mitsubishi UFJ Lease will not be delivered upon the Merger.
2. Number of shares to be delivered upon the Merger  
571,079,267 shares of the common stock of Mitsubishi UFJ Lease (scheduled)  
The above number of shares to be delivered is calculated based on the total number of shares of common stock outstanding and treasury shares of Hitachi Capital as of June 30, 2020 (124,826,552 shares and 7,940,885 shares, respectively) and the number of shares of common stock of Hitachi Capital held by Mitsubishi UFJ Lease as of March 31, 2020 (4,909,340 shares). The common stock of Mitsubishi UFJ Lease, calculated based on the above Merger Ratio will be delivered to the last shareholders of Hitachi Capital, except Mitsubishi UFJ Lease and Hitachi Capital, on the date immediately preceding the date on which the Merger will become effective (the "Effective Date"). Therefore, in the event that the number of treasury shares held by Hitachi Capital or the number of shares of common stock of Hitachi Capital held by Mitsubishi UFJ Lease is changed by the Effective Date as a result of an exercise of the appraisal right by shareholders of Hitachi Capital, etc., the number of shares to be delivered by Mitsubishi UFJ Lease will change accordingly.
3. Treatment of shares less than one unit (*tangen miman kabushiki*)  
In association with the Merger, some shareholders of Hitachi Capital who will hold shares representing less than one unit of Mitsubishi UFJ Lease's stock (i.e., less than 100 shares) cannot sell such shares representing less than one unit on Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") or Nagoya Stock Exchange, Inc. (the "Nagoya Stock Exchange"). The following programs regarding Mitsubishi UFJ Lease's shares representing less than one unit will be available to such shareholders:
  1. Buyback program for shares representing less than one unit (sale of common stock representing less than one hundred (100) shares)  
Pursuant to Article 192, paragraph 1 of the Companies Act, shareholders who will hold shares representing less than one unit of Mitsubishi UFJ Lease's stock may demand that

- Mitsubishi UFJ Lease buy back such shares; or,
2. Additional purchase program for shares representing less than one unit (additional purchase of shares of common stock to reach one hundred (100) shares)  
Pursuant to Article 194, paragraph 1 of the Companies Act and the relevant provisions of the articles of incorporation of Mitsubishi UFJ Lease, shareholders who will hold shares representing less than one unit of Mitsubishi UFJ Lease may additionally purchase from Mitsubishi UFJ Lease the number of shares that, when added to shares representing less than one unit to be held by such shareholders, will equal to one unit (one hundred (100) shares), except when Mitsubishi UFJ Lease does not hold the number of treasury shares regarding the request for additional purchase.
  4. Handling of a fractional share  
To the shareholders of Hitachi Capital who will receive the allotment of fractions falling short of one (1) share of Mitsubishi UFJ Lease's common stock upon the Merger, Mitsubishi UFJ Lease will pay in cash the amounts that correspond to the fractions falling short of one (1) share, in accordance with the provisions of Article 234 of the Companies Act and other relevant laws and regulations.

## 2) Grounds, etc. for Share Allotment concerning the Merger

### a. Grounds and reasons for share allotment

In order for Mitsubishi UFJ Lease to ensure fairness and appropriateness of the Merger Ratio, Mitsubishi UFJ Lease has appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities") as a financial advisor independent from both companies, and has requested Mitsubishi UFJ Morgan Stanley Securities to provide valuation including the financial analysis of the merger ratio being used for the Merger. Mitsubishi UFJ Lease subsequently received from its financial advisor the financial analysis report (*santeisho*) of the Merger Ratio dated September 23, 2020. Meanwhile, in order for Hitachi Capital to ensure fairness and appropriateness in the Merger Ratio, Hitachi Capital has engaged Goldman Sachs Japan Co., Ltd. ("Goldman Sachs Japan") as a financial advisor independent from both companies, and has requested Goldman Sachs Japan to perform the financial analyses of the merger ratio to be applied to the Merger. Hitachi Capital subsequently received from its financial advisor the financial analysis report (*santeisho*) of the Merger Ratio dated September 24, 2020.

After the two companies referencing the financial analyses of the merger ratio to be applied to the Merger, provided by their respective financial advisors and as a result of careful and repeated negotiations and discussions, comprehensive consideration about financial situations, asset status, future prospects and other factors of the two companies based on the results of due diligence, etc., conducted by the two companies in regard to each other, the two companies eventually were able to conclude that the Merger Ratio was appropriate, and agreed on the Merger Ratio after they decided it at the respective board of directors meetings held on September 24, 2020 by referencing the details of their respective financial advisors' financial analysis reports (*santeisho*), as well as Hitachi Capital referencing the response submitted by its independent committee.

b. Matters concerning the calculation

- Names of the financial advisors and their relationships with the two companies

Both Mitsubishi UFJ Morgan Stanley Securities, the financial advisor for Mitsubishi UFJ Lease, and Goldman Sachs Japan, the financial advisor for Hitachi Capital, are independent from both companies, do not constitute a related party of either of the two companies, and do not have any material interest that needs to be stated in connection with the Business Integration.

- Outline of the financial analysis report (*santeisho*)  
(Mitsubishi UFJ Morgan Stanley Securities)

Mitsubishi UFJ Morgan Stanley Securities analyzed the Merger Ratio by comprehensively taking into consideration the results of the three analysis approaches regarding both Mitsubishi UFJ Lease and Hitachi Capital: the market price analysis that was chosen for the reason that the two companies are listed in the first section of the Tokyo Stock Exchange and market share prices of the two companies are readily available; the comparable company analysis that was chosen for the reason that equity value of the two companies could be inferred from their respective comparable listed companies; and additionally, for the purpose of reflecting the prospective situation of their future business activities into the valuation, the dividend discount model analysis (the “DDM Analysis”), a method of analyzing equity value by discounting the portion of capital that exceeds the level of capital required for the stable business operations of the two companies predetermined based on valuation, etc. by rating agencies (the “Required Capital Level”) back to its present value at capital cost, by deeming such excess portion of capital to be profit attributable to shareholders.

Financial forecasts of Mitsubishi UFJ Lease that were used in the assumptions for valuation do not include fiscal years for which substantial increase/decrease in profits are estimated. For the fiscal years included in the Hitachi Capital Forecasts, substantial earnings increases or decreases are projected. Specifically, Hitachi Capital earnings for the fiscal year ending March 31, 2022 are projected to increase substantially on a year-on-year basis, due to a recovery from the impact of COVID-19 crisis.

For the market price analysis, Mitsubishi UFJ Morgan Stanley Securities set a calculation base date for September 23, 2020 (the “Calculation Base Date”) and analyzed the valuation ranges of the Merger Ratio based on maximum and minimum of the market price ratios of the common stock of the two companies calculated by (i) the closing price on the Calculation Base Date; (ii) a simple average of the closing prices in the previous one month; (iii) a simple average of the closing prices in the previous three months; and (iv) a simple average of the closing prices in the previous six months, respectively, prior to the Calculation Base Date in the first section of the Tokyo Stock Exchange.

For the comparable company analysis, Mitsubishi UFJ Morgan Stanley Securities analyzed equity value of both Mitsubishi UFJ Lease and Hitachi Capital based on a comparison of (i) the multiples of the net profit to market capitalization; and (ii) the multiples of the book value based net assets to market capitalization, with the corresponding multiples of selected listed



companies engaging in businesses relatively comparable to the businesses of Mitsubishi UFJ Lease and Hitachi Capital, respectively.

Mitsubishi UFJ Morgan Stanley Securities performed the DDM Analysis based on publicly available information and other factors, in addition to estimated revenues in the financial forecasts of Mitsubishi UFJ Lease and Hitachi Capital during the period from April 1, 2020 to March 31, 2026, and assumptions that are considered reasonable. Financial forecasts used for valuation are based on the financial forecasts on a stand-alone basis presented by the management of Mitsubishi UFJ Lease and Hitachi Capital, respectively (which means any impact of the Business Integration is not taken into consideration), and financial forecasts with reasonable adjustments made by Mitsubishi UFJ Lease.

The chart below indicates the summarized results of valuation ranges of the Merger Ratio in the Business Integration evaluated by Mitsubishi UFJ Morgan Stanley Securities (i.e., showing valuation ranges in the form of the number of shares of Mitsubishi UFJ Lease's common stock to be delivered by allotment for one share of Hitachi Capital's common stock).

Approach Adopted	Valuation Ranges of Merger Ratio
Market Price Analysis	3.73 ~ 5.68
Comparable Company Analysis	2.44 ~ 5.48
DDM Analysis	3.52 ~ 5.95

Mitsubishi UFJ Morgan Stanley Securities provided the Board of Directors of Mitsubishi UFJ Lease with an outline of the analyses as of September 23, 2020. Also, pursuant to the request of the board of directors of Mitsubishi UFJ Lease, Mitsubishi UFJ Morgan Stanley Securities submitted to the board of directors of Mitsubishi UFJ Lease an opinion (the "Fairness Opinion") that the Merger Ratio is reasonable from a financial viewpoint to the shareholders of common stock of Mitsubishi UFJ Lease, excluding Hitachi Capital, as of the Merger.

An opinion of Mitsubishi UFJ Morgan Stanley Securities stated in the Fairness Opinion is subject to and premised on various important conditions and restraints described therein and other conditions described below. Mitsubishi UFJ Morgan Stanley Securities has never recommended any specific merger ratio to Mitsubishi UFJ Lease or its board of directors as one and only adequate ratio.

In stating its opinion in the Fairness Opinion, Mitsubishi UFJ Morgan Stanley Securities relied on the disclosed and publicly-available information and information provided by Mitsubishi UFJ Lease or Hitachi Capital, assuming that such information was accurate and complete. It thus did not verify the accuracy or completeness of such information.

In preparing the Fairness Opinion, Mitsubishi UFJ Morgan Stanley Securities took into consideration potential benefits of strategies, finance, capital management and business operation expected from the Merger. However, Mitsubishi UFJ Morgan Stanley Securities presumed that financial forecasts containing information about such potential benefits of strategies, finance, capital management and business operation were reasonably prepared by the management of Mitsubishi UFJ Lease and Hitachi Capital, respectively, reflecting the best available forecasts and

judgments as of September 24, 2020 on future financial situations of Mitsubishi UFJ Lease and Hitachi Capital.

Moreover, Mitsubishi UFJ Morgan Stanley Securities states its opinions based on the assumption that the Merger would be executed without any waiver, change or delay in the terms and conditions provided in the business integration agreement and the merger agreement. Mitsubishi UFJ Morgan Stanley Securities presumes that all approvals, permissions and agreements, etc. necessary for the Merger can be obtained from relevant government agencies and supervisory agencies, etc. and that such approvals, permissions and agreements, etc. would not be subject to any delay, restriction or condition that may have a material adverse effect on potential benefits expected from the Merger.

Mitsubishi UFJ Morgan Stanley Securities is not an advisor on business, legal and accounting affairs, taxation, industrial regulations and corporate pensions. Mitsubishi UFJ Morgan Stanley Securities, as a financial advisor, does not conduct any independent verification on issues concerning business, legal and accounting affairs, taxation, industrial regulations and corporate pensions, and Mitsubishi UFJ Morgan Stanley Securities relies on the determinations of Mitsubishi UFJ Lease and its business advisors, legal advisors, accounting advisors, tax advisors, and advisors on industrial regulations and corporate pensions.

In relation to consideration received by holders of the stock of Hitachi Capital in connection with the Merger, Mitsubishi UFJ Morgan Stanley Securities is not in a position to state any opinion on whether an amount or quality of consideration to be paid to directors, officers or employees of Hitachi Capital (regardless of their titles or job classes) is adequate.

Mitsubishi UFJ Morgan Stanley Securities did not conduct an independent evaluation or assessment and did not receive any evaluations or assessments from any third party of the assets and liabilities of either of Mitsubishi UFJ Lease or Hitachi Capital.

The opinions of Mitsubishi UFJ Morgan Stanley Securities are based on economic, financial, market and other circumstances as of the date of the Fairness Opinion and information obtained by Mitsubishi UFJ Morgan Stanley Securities as of the date thereof. Though events that would occur on and after the date of the Fairness Opinion may have an impact on the opinions stated in and the assumptions used for the Fairness Opinion, Mitsubishi UFJ Morgan Stanley Securities assumes no responsibility or obligation for updating, revising or reconfirming the opinions stated in the Fairness Opinion.

Mitsubishi UFJ Morgan Stanley Securities will receive a commission fee for its services rendered in relation to the Merger as a financial advisor to Mitsubishi UFJ Lease. The receipt of most of the commission fee is based on the condition that the Merger is completed.

Mitsubishi UFJ Morgan Stanley Securities or its affiliates received a commission fee, within two years from the date of the Fairness Opinion, for its services rendered as a financial advisor or regarding finance to Mitsubishi UFJ Lease, Hitachi Capital, and the two companies' major shareholder, Mitsubishi UFJ Financial Group, Inc. ("MUFG" or "Mitsubishi UFJ Financial Group"), Mitsubishi UFJ Lease's major shareholder, Mitsubishi Corporation ("MC"), and Hitachi Capital's major shareholder,

Hitachi, Ltd. (“Hitachi”; Mitsubishi UFJ Financial Group, MC and Hitachi are collectively referred to as the “Major Shareholders”). In addition, Mitsubishi UFJ Morgan Stanley Securities and its affiliates may render such services to Mitsubishi UFJ Lease, Hitachi Capital and the Major Shareholders and may receive a commission fee as consideration for such services, in the future.

Mitsubishi UFJ Morgan Stanley Securities (together with its affiliated companies, collectively referred to as “Mitsubishi UFJ Morgan Stanley Group”) provides global financial services including banking (including lending services to Mitsubishi UFJ Lease and Hitachi Capital), securities, trust banking, investment management and other financial services (collectively, “Financial Services”). Securities services include not only providing investment banking, financing and financial advisory services, but also underwriting, sale and purchase and brokerage of securities, and foreign exchange, commodities and derivatives transactions. Mitsubishi UFJ Morgan Stanley Group may, during the course of usual operation of underwriting, sale and purchase and brokerage of securities, and operation of financing, hold long or short positions in bonds, equity or loans of Mitsubishi UFJ Lease, Hitachi Capital or any other company related to the Merger, currencies or commodities related to the Merger, or relevant derivatives, may provide other Financial Services of Mitsubishi UFJ Morgan Stanley Group for Mitsubishi UFJ Lease, Hitachi Capital or any other company related to the Merger, and may engage in sale and purchase or any other transaction in its own or its client’s account. Mitsubishi UFJ Morgan Stanley Group and its directors and officers may invest their own funds in, or may manage a fund that invests its own funds in bonds, equity or loans of Mitsubishi UFJ Lease, Hitachi Capital or any other company related to the Merger, currencies or commodities related to the Merger, or relevant derivatives. Also, Mitsubishi UFJ Morgan Stanley Securities may render usual securities brokerage services for Mitsubishi UFJ Lease, Hitachi Capital or any other company related to the Merger.

(Goldman Sachs Japan)

Goldman Sachs Japan (together with its affiliates, “Goldman Sachs”) performed (i) exchange ratio analyses using (a) a historical exchange ratio analysis and (b) an illustrative contribution analysis based on an illustrative dividend discount model analysis (the “DDM Analysis”), and (ii) an illustrative “has” / “gets” analysis based on illustrative DDM Analyses in the financial analysis report (*santeisho*) of the Merger Ratio dated September 24, 2020 (the “Goldman Sachs Report”).

#### **(i) Exchange Ratio Analyses**

##### **(a) Historical Exchange Ratio Analysis**

Goldman Sachs reviewed the historical trading prices of common stock of Hitachi Capital (“Hitachi Capital Common Stock”) and common stock of Mitsubishi UFJ Lease (“Mitsubishi UFJ Lease Common Stock”) for the 52-week period prior to September 23, 2020 and calculated the historical exchange ratios and historical average exchange ratios based on the closing prices of common stock of Hitachi Capital and common stock of Mitsubishi UFJ Lease during such 52-week period. This analysis indicated the range of

implied merger ratios of shares of Mitsubishi UFJ Lease Common Stock to be issued in exchange for one share of Hitachi Capital Common Stock shown below.

Historical Exchange Ratio Analysis: 3.30 - 5.68

Historical Date or Period	Exchange Ratio
September 23, 2020	4.94
52-Week High	5.68
52-Week Low	3.30
1-Month Average	5.06
3-Month Average	5.07
6-Month Average	4.59

**(b) Illustrative DDM-Based Contribution Analysis**

**Illustrative DDM Analysis for Hitachi Capital on a Standalone Basis:** Goldman Sachs performed an illustrative DDM Analysis for Hitachi Capital on a standalone basis using publicly available information and certain internal financial analyses and forecasts for Hitachi Capital prepared by the management of Hitachi Capital, as approved for Goldman Sachs' use by Hitachi Capital (the "Hitachi Capital Forecasts"). Using a range of discount rates of 7.50% to 8.50%, reflecting estimates of Hitachi Capital's cost of equity, Goldman Sachs calculated indications of the illustrative net present value of estimated dividend streams for the period beginning with the fiscal year ending March 31, 2021 through the fiscal year ending March 31, 2026 and a range of terminal values, which were calculated by applying perpetuity growth rates ranging from 2.50% to 3.50% to the terminal year estimated dividend. For the fiscal years included in the Hitachi Capital Forecasts, no substantial earnings increases or decreases are projected.

**Illustrative DDM Analysis of Mitsubishi UFJ Lease on a Standalone Basis:** Goldman Sachs performed an illustrative DDM Analysis for Mitsubishi UFJ Lease on a standalone basis using publicly available information and certain internal financial analyses and forecasts for Mitsubishi UFJ Lease prepared by the management of Mitsubishi UFJ Lease, as adjusted by the management of Hitachi Capital, as approved for Goldman Sachs' use by Hitachi Capital (the "Mitsubishi UFJ Lease Forecasts"). Using a range of discount rates of 7.50% to 8.50%, reflecting estimates of Mitsubishi UFJ Lease's cost of equity, Goldman Sachs calculated indications of the illustrative net present value of estimated dividend streams for the period beginning with the fiscal year ending March 31, 2021 through the fiscal year ending March 31, 2026 and a range of terminal values, which were calculated by applying perpetuity growth rates ranging from 2.50% to 3.50% to the terminal year estimated dividend. For the fiscal years included in the Mitsubishi UFJ Lease Forecasts, substantial earnings increases or decreases are projected. Mitsubishi UFJ Lease earnings for the fiscal year ending March 31, 2021 are projected in the Mitsubishi UFJ Lease Forecasts to decrease substantially on a year-on-year basis, due to decrease in earnings of the aviation business which reflected the impact of the COVID-19 crisis, and Mitsubishi UFJ Lease earnings for the fiscal year ending March 31, 2024 are projected in the Mitsubishi UFJ

Lease Forecasts to increase substantially on a year-on-year basis, due to a recovery in the aviation business.

Using the Hitachi Capital Forecasts, the Mitsubishi UFJ Lease Forecasts and the above-referenced illustrative DDM Analyses of Hitachi Capital and Mitsubishi UFJ Lease on a standalone basis, Goldman Sachs used an assumed perpetuity growth rate of 3.00% and discount rates ranging from 7.50% to 8.50% for both Hitachi Capital and Mitsubishi UFJ Lease on a standalone basis to derive the range of implied merger ratios of shares of Mitsubishi UFJ Lease Common Stock to be issued in exchange for one share of Hitachi Capital Common Stock shown below.

Illustrative DDM-Based Contribution Analysis: 4.59 - 6.91

**(ii) Illustrative “Has” / “Gets” Analysis**

Goldman Sachs performed an illustrative “has” / “gets” analysis using the Hitachi Capital Forecasts, Mitsubishi UFJ Lease Forecasts and certain internal financial analyses and forecasts for dividends of Mitsubishi UFJ Lease pro forma for the transaction (the “Transaction”) contemplated by the Agreement (as defined in the Note below), prepared by the management of Hitachi Capital, as approved for Goldman Sachs’ use by Hitachi Capital (the “Pro Forma Forecasts” and, together with the Hitachi Capital Forecasts and the Mitsubishi UFJ Lease Forecasts, the “Forecasts”), including certain operating synergies projected by the management of Hitachi Capital to result from the Transaction, as approved for Goldman Sachs’ use by Hitachi Capital (the “Synergies”).

Illustrative DDM Analysis Per Share of Hitachi Capital on a Standalone Basis: Goldman Sachs calculated an implied equity value per share of Hitachi Capital Common Stock derived from the above-referenced illustrative DDM Analysis for Hitachi Capital on a standalone basis. This analysis indicated the range of implied equity values per share of Hitachi Capital Common Stock shown below.

Illustrative DDM Analysis Per Share of Hitachi Capital on a Standalone Basis: JPY2,501 - JPY3,640

Illustrative DDM Analysis of Pro Forma Equity Value Per Share of Hitachi Capital: Goldman Sachs performed an illustrative DDM Analysis of pro forma equity value to be attributed to Hitachi Capital shareholders using publicly available information and the Forecasts, including the Synergies. Using a range of discount rates of 7.50% to 8.50%, reflecting estimates of Hitachi Capital’s cost of equity, Goldman Sachs calculated indications of the illustrative net present value of estimated dividend streams to be attributed to Hitachi Capital shareholders from Hitachi Capital on a standalone basis for the period beginning with the fiscal year ending March 31, 2021 through the fiscal year ending March 31, 2026 and a range of terminal values, which were calculated by applying perpetuity growth rates ranging from 2.50% to 3.50% to the terminal year estimated dividend, to derive a range of implied equity values per share of Hitachi Capital Common Stock. Using a range of discount rates of 7.50% to 8.50%,

reflecting estimates of Mitsubishi UFJ Lease's cost of equity, Goldman Sachs then calculated indications of the illustrative net present value of estimated dividend streams to be attributed to Hitachi Capital shareholders from Mitsubishi UFJ Lease on a standalone basis for the period beginning with the fiscal year ending March 31, 2022 through the fiscal year ending March 31, 2026 and a range of terminal values, which were calculated by applying perpetuity growth rates ranging from 2.50% to 3.50% to the terminal year estimated dividend, to derive a range of implied equity values per share of Hitachi Capital Common Stock. Using a range of discount rates of 7.50% to 8.50%, reflecting estimates of the pro forma combined company's cost of equity, Goldman Sachs then calculated indications of the illustrative net present value of Synergies to be attributed to Hitachi Capital shareholders for the period beginning with the fiscal year ending March 31, 2022 through the fiscal year ending March 31, 2026 and a range of terminal values, which were calculated by applying perpetuity growth rates ranging from 2.50% to 3.50% to the terminal year estimated dividend, to derive a range of implied equity values per share of Hitachi Capital Common Stock. The implied equity value of the pro forma combined company per share of Hitachi Capital Common Stock was calculated by summing up each of the present value of estimated dividend streams from Hitachi Capital on a standalone basis, the present value of estimated dividend streams from Mitsubishi UFJ Lease on a standalone basis and the present value of Synergies, in each case, as attributed to Hitachi Capital shareholders. This analysis indicated the range of pro forma equity values per share of Hitachi Capital Common Stock shown below.

Illustrative DDM Analysis of Pro Forma Equity Value Per Share of Hitachi Capital: JPY2,731 - JPY3,991

(Supplementary Note)

Goldman Sachs provided its advisory services and the Goldman Sachs Report for the information and assistance of the board of directors of Hitachi Capital in connection with its consideration of the Transaction. The Goldman Sachs Report does not constitute a recommendation as to how any holder of Hitachi Capital Common Stock should vote with respect to such Transaction or any other matter. Goldman Sachs did not recommend any specific merger ratio to Hitachi Capital or its board of directors, or that any specific merger ratio constituted the only appropriate merger ratio.

The Goldman Sachs Report is necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of September 23, 2020, and Goldman Sachs assumes no responsibility for updating, revising or reaffirming the Goldman Sachs Report based on circumstances, developments or events occurring after the date thereof. No such updating, revising or reaffirming has been conducted and therefore the Goldman Sachs Report should be evaluated in the context only of the circumstances and market conditions existing as of September 23, 2020. Goldman Sachs assumed with Hitachi Capital's consent that the Forecasts, including the Synergies, have been reasonably prepared on a basis reflecting the best available estimates and judgments of the management of Hitachi Capital as of September 24, 2020. Except as

otherwise noted, the quantitative information used in the Goldman Sachs Report, to the extent it is based on market data, is based on market data as it existed on or before September 23, 2020 and is not necessarily indicative of the market conditions as of September 24, 2020.

(Note)

The following is additional information on the assumptions made, procedures followed, matters considered and limitations on the work undertaken in connection with preparing the Goldman Sachs Report, the Goldman Sachs Fairness Opinion (as defined below) and the financial analyses supporting such Goldman Sachs Fairness Opinion (such financial analyses, together with the Goldman Sachs Fairness Opinion, the “Goldman Sachs Fairness Materials”).

Goldman Sachs is engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of Hitachi Capital, Mitsubishi UFJ Lease and any of their respective affiliates, including Hitachi and MUFG, significant shareholders of Hitachi Capital, and MC, a significant shareholder of Mitsubishi UFJ Lease, and their respective affiliates and third parties, or any currency or commodity that may be involved in the Transaction. Goldman Sachs has acted as financial advisor to Hitachi Capital in connection with, and has participated in certain of the negotiations leading to, the Transaction. Goldman Sachs expects to receive fees for its services in connection with the Transaction, the principal portion of which is contingent upon consummation of the Transaction, and Hitachi Capital has agreed to reimburse certain of Goldman Sachs’ expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs’ engagement. Goldman Sachs has provided certain financial advisory and/or underwriting services to Hitachi Capital and/or its affiliates from time to time for which Goldman Sachs’ Investment Banking Division has received, and may receive, compensation, including having acted as a dealer in Hitachi Capital’s commercial paper program since November 2010. Goldman Sachs also has provided certain financial advisory and/or underwriting services to Mitsubishi UFJ Lease and/or its affiliates from time to time for which Goldman Sachs’ Investment Banking Division has received, and may receive, compensation, including having acted as joint lead manager and joint bookrunner with respect to an offering by Mitsubishi UFJ Lease of its 3.406% senior notes due 2022 and its 3.559% senior notes due 2024 (aggregate principal amount \$800,000,000) in February 2019; and as a dealer in Mitsubishi UFJ Lease’s Euro medium term note programs in July 2019. Goldman Sachs also has provided certain financial advisory and/or underwriting services to Hitachi and/or its affiliates from time to time for which Goldman Sachs’ Investment Banking Division has received, and may receive, compensation, including having acted as financial advisor to Hitachi in connection with its acquisition of an additional stake in Ansaldo STS S.p.A. in January 2019; as financial advisor to Hitachi in connection with the sale of its diagnostic imaging-related business announced in December 2019; as joint lead manager with respect to a public offering by Hitachi of its 0.060% senior notes due 2023, 0.160% senior notes due 2027 and 0.290% senior notes due 2030 (aggregate principal amount ¥200,000,000,000) in March 2020; as financial advisor to Hitachi Chemical Company Limited, a former subsidiary of Hitachi, in connection with Hitachi’s sale of Hitachi Chemical Company Limited in April 2020; and as financial advisor to Hitachi in connection with its acquisition of the power grids business of ABB Ltd in July 2020. Goldman Sachs also has provided certain financial advisory and/or underwriting services to MC and/or its affiliates from time to time for which Goldman Sachs’ Investment Banking Division has received, and may receive,

compensation, including having acted as co-manager with respect to an offering by MC of its 2.50% notes due 2024 (aggregate principal amount \$500,000,000) in July 2019; and as a dealer in MC's and its subsidiary Mitsubishi Corporation Finance PLC's Euro medium term note programs in November 2019. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to Hitachi Capital, Mitsubishi UFJ Lease, Hitachi, MUFG and MC and their respective affiliates for which Goldman Sachs' Investment Banking Division may receive compensation.

In connection with preparing the Goldman Sachs Fairness Materials and the Goldman Sachs Report, Goldman Sachs has reviewed, among other things, the merger agreement, dated as of September 24, 2020, by and between Mitsubishi UFJ Lease and Hitachi Capital (the "Agreement"); Annual Securities Reports (*Yuka Shoken Hokoku-sho*) of Hitachi Capital and Mitsubishi UFJ Lease for the five fiscal years ended March 31, 2020; the First Quarter Securities Reports (*Dai-ichi Shihanki Hokoku-sho*) of Hitachi Capital and Mitsubishi UFJ Lease for the first quarter ended June 30, 2020; certain other communications from Hitachi Capital and Mitsubishi UFJ Lease to their respective stockholders; certain publicly available research analyst reports for Hitachi Capital and Mitsubishi UFJ Lease; and the Forecasts, including the Synergies. Goldman Sachs has also held discussions with members of the senior management of Hitachi Capital regarding the past and current business operations, financial condition and future prospects of Hitachi Capital and their assessment of the strategic rationale for, and the potential benefits of, the Transaction and with members of the senior managements of Hitachi Capital and Mitsubishi UFJ Lease regarding the past and current business operations, financial condition and future prospects of Mitsubishi UFJ Lease; reviewed the reported price and trading activity for the shares of Hitachi Capital Common Stock and shares of Mitsubishi UFJ Lease Common Stock; compared certain financial and stock market information for Hitachi Capital and Mitsubishi UFJ Lease with similar information for certain other companies the securities of which are publicly traded; and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of performing its financial analyses, rendering the Goldman Sachs Fairness Materials and the Goldman Sachs Report, Goldman Sachs has, with Hitachi Capital's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs has assumed with Hitachi Capital's consent that the Forecasts, including the Synergies, have been reasonably prepared on a basis reflecting the best available estimates and judgments of the management of Hitachi Capital as of September 24, 2020. Goldman Sachs has not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Hitachi Capital or Mitsubishi UFJ Lease or any of their respective subsidiaries and Goldman Sachs has not been furnished with any such evaluation or appraisal. Goldman Sachs has assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on Hitachi Capital or Mitsubishi UFJ Lease or on the expected benefits of the Transaction in any way meaningful to Goldman Sachs' analysis. Goldman Sachs also has assumed that the Transaction will be consummated on the terms set forth in the Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to Goldman Sachs' analysis.

Neither the Goldman Sachs Fairness Materials nor the Goldman Sachs Report addresses the underlying business decision of Hitachi Capital to engage in the Transaction, or the relative merits of the Transaction as compared to any strategic



alternatives that may be available to Hitachi Capital; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs was not requested to solicit, and did not solicit, interest from other parties with respect to an acquisition of, or other business combination with Hitachi Capital. The Goldman Sachs Fairness Opinion addresses only the fairness from a financial point of view to the holders (other than Mitsubishi UFJ Lease, Hitachi and MUFG and their respective affiliates) of shares of Hitachi Capital Common Stock, as of the date hereof, of the merger ratio pursuant to the Agreement. Goldman Sachs does not express any view on, and the Goldman Sachs Fairness Materials do not address, any other term or aspect of the Agreement or Transaction or any term or aspect of any other agreement or instrument contemplated by the Agreement or entered into or amended in connection with the Transaction, including, the fairness of the Transaction to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of Hitachi Capital; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Hitachi Capital, or class of such persons, in connection with the Transaction, whether relative to the merger ratio pursuant to the Agreement or otherwise. Goldman Sachs is not expressing any opinion as to the prices at which shares of Mitsubishi UFJ Lease Common Stock or shares of Hitachi Capital Common Stock will trade at any time, or as to the potential effects of volatility in the credit, financial and stock markets on Hitachi Capital or Mitsubishi UFJ Lease or the Transaction, or as to the impact of the Transaction on the solvency or viability of Hitachi Capital or Mitsubishi UFJ Lease or the ability of Hitachi Capital or Mitsubishi UFJ Lease to pay their respective obligations when they come due.

Goldman Sachs provided the Goldman Sachs Fairness Materials for the information and assistance of the board of directors of Hitachi Capital in connection with its consideration of the Transaction. The Goldman Sachs Fairness Materials do not constitute a recommendation as to how any holder of shares of Hitachi Capital Common Stock should vote with respect to such Transaction or any other matter. The Goldman Sachs Fairness Materials are necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, the date hereof and Goldman Sachs assumes no responsibility for updating, revising or reaffirming this opinion based on circumstances, developments or events occurring after the date hereof. The Goldman Sachs Fairness Opinion has been approved by a fairness committee of Goldman Sachs. The Goldman Sachs Fairness Materials and the Goldman Sachs Report are not necessarily susceptible to partial analysis or summary description. Selecting portions of the Goldman Sachs Fairness Materials, the Goldman Sachs Report or the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying the Goldman Sachs Fairness Materials and the Goldman Sachs Report. Goldman Sachs did not attribute any particular weight to any factor or any analysis it performed.

c. Measures to ensure fairness and to avoid the conflict of interest

Although a particular conflict of interest does not exist between the two companies, as Mitsubishi UFJ Financial Group is a large shareholder of both of the two companies, holding 22.85% of the voting rights of Mitsubishi UFJ Lease, by itself or through its subsidiaries, and 23.01% of the voting rights of Hitachi Capital, respectively, as of March 31, 2020, its interest regarding the Business Integration may differ with that of other shareholders of the two companies. Also, considering that the Business Integration may have an impact on the group operational policy of Hitachi, which holds 33.40% of the voting rights of Hitachi Capital as of March 31, 2020, Hitachi's interest regarding the Business Integration may not

correspond exactly to those of other shareholders of Hitachi Capital. Under these circumstances, the following measures have been implemented in order to take extra precautions to ensure fairness of the Business Integration:

- Obtaining a financial analysis report (*santeisho*) and Fairness Opinion from the financial advisor

Mitsubishi UFJ Lease obtained the financial analysis report (*santeisho*) on the Merger Ratio from Mitsubishi UFJ Morgan Stanley Securities, the financial advisor retained by Mitsubishi UFJ Lease, independent from the two companies. In addition, Mitsubishi UFJ Lease received the Fairness Opinion in writing to the effect that the Merger Ratio was reasonable to the shareholders of Mitsubishi UFJ Lease's common stock (excluding Hitachi Capital) from a financial perspective as of September 24, 2020 based on and subject to the factors and assumptions set forth in the Fairness Opinion and other certain premises. For more details, please refer to b. "Matters concerning the calculation" above.

Meanwhile, Hitachi Capital obtained the financial analysis report (*santeisho*) of the Merger Ratio from Goldman Sachs Japan, the financial advisor retained by Hitachi Capital, independent from the two companies. In addition, Hitachi Capital received a fairness opinion in writing from Goldman Sachs Japan (the "Goldman Sachs Fairness Opinion"), to the effect that, as of September 24, 2020 and based upon and subject to the factors and assumptions set forth in such opinion, the Merger Ratio pursuant to the Merger Agreement was fair from a financial perspective to the holders (other than Mitsubishi UFJ Lease, Hitachi and Mitsubishi UFJ Financial Group and their respective affiliates) of the outstanding shares of common stock of Hitachi Capital. For more details, please refer to b. "Matters concerning the calculation" above.

- Advice from external law firms

Mitsubishi UFJ Lease appointed Nishimura & Asahi as its legal advisor for the Business Integration and has received advice from the firm from legal perspectives on procedures for the Business Integration and methods and processes of its decision-making etc.

Hitachi Capital appointed Mori Hamada & Matsumoto as its legal advisor for the Business Integration and has received advice from the firm from legal perspectives on procedures for the Business Integration and methods and processes of its decision-making etc.

- Establishing an independent committee and obtaining a response by Hitachi Capital

Hitachi Capital, for the purpose of taking extra precautions to ensure fairness of the Business Integration, established an independent committee consisted of four independent outside directors of Hitachi Capital: Mr. Koichiro Hiraiwa, the representative director of Dream Estate Tokyo Inc., Mr. Wataru Sueyoshi, the partner attorney-at-law from Sueyoshi & Sato, Mr. Takashi Nakamura, the former director, chairman of Nichirei Biosciences Inc., and Ms. Yuri Sasaki, the dean, professor of Faculty of Economics, Meiji Gakuin University, by a resolution passed at the board of directors meeting held on February 28, 2020. Hitachi Capital has referred the

following matters to the independent committee: to evaluate, decide, and make responses to its board of directors about (i) the appropriateness of the Business Integration from the perspective of whether or not the Business Integration increases corporate value of Hitachi Capital, and (ii) the reasonableness of the transaction terms and the fairness of the procedures for the Business Integration from perspectives of benefiting general shareholders of Hitachi Capital. In addition, the board of directors of Hitachi Capital passed resolutions that it should respect the content of the independent committee's response to the fullest extent when making a decision on the Business Integration and that it would grant the independent committee authority to appoint or nominate its own advisors (such as legal advisors and consultants) as necessary, for evaluations on the matters referred to the independent committee (and any cost regarding such advisors should be incurred by Hitachi Capital). The independent committee has, based on the authority granted, appointed Mr. Takashi Goto, the attorney-at-law from Shiomizaka as its own legal advisor and Mr. Shinsuke Hasegawa, the certified public accountant and tax accountant who is the representative of Hasegawa CPA Office as its own financial advisor.

The independent committee held 24 meetings from February 28, 2020 to September 24, 2020 and received necessary information from employees and officers of Hitachi Capital, and the advisors to Hitachi Capital and the advisors to the independent committee, to carefully evaluate the matters referred to the independent committee.

Specifically, the independent committee asked questions to Hitachi Capital about matters including managerial challenges surrounding Hitachi Capital, the background leading to the Business Integration and potential synergy effects by the Business Integration and received answers from Hitachi Capital. Also, the independent committee requested officers of Hitachi Capital, including President and Chief Executive Officer, Mr. Seiji Kawabe, Executive Vice President and Executive Officer, Mr. Seiichiro Kishino and Vice President and Executive Officer, Mr. Masashi Takeda, to attend the meetings of the independent committee several times and received explanations directly and held Q&A sessions on the Hitachi Capital management's opinions on the Business Integration, results of the due diligence conducted regarding Mitsubishi UFJ Lease & Finance, and progress of considerations and discussions on the Business Integration.

Besides, the independent committee received an explanation from the Hitachi Capital management on the matters including the contents of business plans of Hitachi Capital and Mitsubishi UFJ Lease & Finance, one of the underlying factors for determining the Merger Ratio, and scrutinized the financial analyses conducted by Goldman Sachs Japan, the financial advisor to Hitachi Capital, for use by the board of directors of Hitachi Capital as the basis of their consideration, based on Mr. Hasegawa's advice from a financial perspective. Furthermore, the independent committee received reports on the progress of negotiations about the Merger Ratio from the Hitachi Capital management in a timely fashion, and discussed the reasonableness of the Merger Ratio based on advice from Mr. Hasegawa and legal advice from Mr. Goto and other matters.

The independent committee additionally discussed measures taken for the purpose of ensuring fairness of the procedures for the Business

Integration, based on legal advice from Mr. Goto.

With the background mentioned above, as a result of careful discussions and evaluations on the matters referred to the independent committee by Hitachi Capital, on September 24, 2020, the independent committee submitted to the board of directors of Hitachi Capital a response to the effect that the independent committee determined that the Business Integration increases Hitachi Capital's corporate value, that the terms of the Business Integration are reasonable, and that sufficient considerations have been given to the interests of Hitachi Capital's general shareholders through fair procedure, by a unanimous resolution.

- Approval from all directors of Hitachi Capital except one who concurrently serves for Mitsubishi UFJ Financial Group and Hitachi as an officer or employee

The conclusion of the business integration agreement and the merger agreement was unanimously approved by all the directors of Hitachi Capital (except Mr. Koichiro Oshima, who concurrently serves as managing executive officer of Mitsubishi UFJ Financial Group and Mr. Masahiko Hasegawa, who concurrently serves as vice president and executive officer of Hitachi), at the board of directors meeting of Hitachi Capital.

Mr. Oshima, the director of Hitachi Capital who concurrently serves as an officer / an employee of Mitsubishi UFJ Financial Group, the large shareholder of both of the two companies, did not participate in the discussion and resolution concerning the Business Integration at the board of directors meeting of Hitachi Capital for the purpose of taking all possible means to ensure fairness of the Business Integration, considering, among other things, that Mitsubishi UFJ Financial Group's interests in the Business Integration may differ from those of other shareholders of Hitachi Capital. In addition, Mr. Hasegawa, the director of Hitachi Capital who concurrently serves as an officer/ an employee of Hitachi, the large shareholder of Hitachi Capital, did not participate in the discussion and resolution concerning the Business Integration at the board of directors meeting of Hitachi Capital for the purpose of taking all possible means to ensure fairness of the Business Integration, considering, among other things, that the interests of Hitachi in the Business Integration may not correspond exactly to those of other shareholders of Hitachi Capital because of the potential impact of the Business Integration on the group operation policy of Hitachi.

- Approval from all directors of Mitsubishi UFJ Lease except one who concurrently serves for Mitsubishi UFJ Financial Group as an officer or employee and opinion of no objection from all auditors

The conclusion of the business integration agreement and the merger agreement was unanimously approved by all the directors of Mitsubishi UFJ Lease (except Mr. Naomi Hayashi, who concurrently serves as managing corporate executive of Mitsubishi UFJ Financial Group), at the board of directors meeting of Mitsubishi UFJ Lease, and all the auditors of Mitsubishi UFJ Lease stated the opinion that they had no objection to the Business Integration.

Mr. Hayashi, the director of Mitsubishi UFJ Lease who concurrently

serves as an officer / an employee of Mitsubishi UFJ Financial Group, the large shareholder of both of the two companies, did not participate in the discussion and resolution concerning the Business Integration at the board of directors meeting of Mitsubishi UFJ Lease for the purpose of taking extra precautions to ensure fairness of the Business Integration, considering, among other things, that Mitsubishi UFJ Financial Group's interests in the Business Integration may differ from those of other shareholders of Mitsubishi UFJ Lease.

- (2) Matters concerning the appropriateness of the amounts of stated capital and reserves of the surviving company

The amount of stated capital and reserves of the Company will not increase due to the Merger. This was decided within the extent permitted under laws and regulations, following a comprehensive consideration and review of the financial condition and capital policy of the Company and other circumstances, and is considered reasonable.

- 2. Matters concerning the appropriateness of the provisions regarding the matters listed in Article 749, Paragraph 1, Items 4 and 5 of the Companies Act (Article 191, Item 2 of the Regulation for Enforcement of the Companies Act)**

Not applicable.

- 3. Matters listed as follows with respect to the merged company (Article 191, Item 3 of the Regulation for Enforcement of the Companies Act)**

- (1) The content of the financial statements, etc. in relation to the most recent fiscal year

The information contained in the financial statements for the most recent fiscal year of Hitachi Capital is not included in this notice of convocation of the Meeting, as it is disclosed on the Company's website (<https://www.lf.mufig.jp/>), pursuant to laws and regulations, and the provisions of Article 15 of the Articles of Incorporation of the Company.

- (2) The content of events that occurred after the last day of the most recent fiscal year, which had a material impact on the status of the company property, including the disposal of important property and the burden of major obligations

Not applicable.

- 4. The content of events that occurred after the last day of the most recent fiscal year of the Company, which had a material impact on the status of the company property, including the disposal of important property and the burden of major obligations (Article 191, Item 5 of the Regulation for Enforcement of the Companies Act)**

Not applicable.

## **Second Item of Business**      Partial Amendments to the Articles of Incorporation

### **1. Reasons for the Proposal**

The Company shall make the following partial amendments to its Articles of Incorporation, in order to facilitate the Business Integration through the Merger with Hitachi Capital, and make the transition to a company with an audit and supervisory committee as of the effective date of the Merger, as stated in “(Reference) Matters Common to All Items of Business” and the first item of business “Approval of the Merger Agreement between the Company and Hitachi Capital Corporation.”

The aforementioned partial amendments to the Articles of Incorporation shall take effect on the effective date of the Merger (tentatively, on April 1, 2021), subject to the approval of the first item of business as proposed and effectuation of the Merger.

- (1) The trade name, the purposes, and the total number of shares authorized to be issued are changed in connection with the Merger (Articles 1, 2, and 5 of the proposed amendments);
- (2) The provisions on the audit and supervisory committee are newly established, and the provisions on statutory auditors and the board of statutory auditors are deleted (Articles 34 through 39 of the proposed amendments, and Articles 32 through 42 of the current Articles of Incorporation);
- (3) The provisions on the number of directors, the method of the election of directors, the term of office of directors, the method of determining remuneration for directors, and the term of office of directors who are elected to increase the number of, or as substitutes for directors who serve as audit and supervisory committee members are newly established (Article 20, paragraph 2; Article 21, paragraph 1; Article 22; and Article 31 of the proposed amendments);
- (4) The provision to the effect that all or some of the decisions on the execution of material business (excluding matters set forth in each item of Article 399-13, paragraph 5 of the Companies Act) may be delegated to director(s) by resolution of the board of directors meeting are newly established (Article 28 of the proposed amendments);
- (5) The provision on the exemption of directors’ liability set forth in the Companies Act is newly established, and the details of the liability limitation agreements are changed (Articles 32 and 33 of the proposed amendments). The consent of each statutory auditor has been obtained regarding the submission of these changes as a proposal to the General Meeting of Shareholders;
- (6) In connection with the foregoing, amendments and deletions of the relevant provisions, changes in the number of Articles, and other necessary changes are made (Articles 4, 8 through 12, 14, 17, 23 through 27, 29, 30, and 40 through 46 of the proposed amendments); and
- (7) Article 42 of the current Articles of Incorporation is deleted and, in connection with the Business Integration through the Merger with Hitachi Capital, supplementary provisions are newly established.

### **2. Details of the Proposed Amendments**

The proposed amendments shall be as follows.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1. General Provisions	Chapter 1. General Provisions
Article 1. (Corporate Name) The name of the Company shall be “ <u>Mitsubishi UFJ Lease Kabushiki Kaisha</u> ” which shall be expressed in English as “ <u>Mitsubishi UFJ Lease &amp; Finance Company Limited</u> ”.	Article 1. (Corporate Name) The name of the Company shall be “ <u>Mitsubishi HC Capital Kabushiki Kaisha</u> ” which shall be expressed in English as “ <u>Mitsubishi HC Capital Inc.</u> ”.
Article 2. (Purposes) The purposes of the Company shall be to engage in the following businesses:  (1) The finance and operating lease, rental, sale and purchase, installment sales, and maintenance of various types of personal property, including machines, apparatus, and equipment;  [Moved from Article 2, Subparagraph (11) of the Current Articles of Incorporation]  (2) <u>Lease, sale, or purchase of intangible property rights, such as copyrights and industrial property rights;</u>  (3) Financial activities such as the loaning of money, the guaranteeing of debts, and the sale and purchase of all types of bond; (4) Financial instruments business;  (5) Holding, managing, purchasing, and selling of securities; (6) Business relating to the sale of life insurance policies; (7) Provision of agency services for casualty insurance;  (8) Information processing business, information distribution business, telecommunication business, advertising business, and publishing business; (9) Acting as a contractor to perform design, construction, installation, repair, and	Article 2. (Purposes) The purposes of the Company shall be to engage in the following businesses:  (1) The finance and operating lease, rental, sale and purchase, installment sales, <u>sale by intermediation of credit purchases and other means and intermediation thereof,</u> and maintenance of various types of personal property, including machines, apparatus, and equipment; (2) <u>Lease, rental, sale, purchase, installment sales, sale by intermediation of credit purchases and other means and intermediation thereof, and development, maintenance</u> and business relating to the operation of <u>real estate;</u> (3) <u>Acquisition, planning, development, lease,</u> sale, or purchase of intangible property rights, such as copyrights and industrial property rights; (4) Financial activities such as the loaning of money, the guaranteeing of debts, and the sale and purchase of all types of bond; (5) Financial instruments business <u>and financial instruments brokerage business;</u> (6) Holding, managing, purchasing, and selling of securities; (7) Business relating to the sale of life insurance policies; (8) <u>Non-life insurance business listed below:</u> (i) <u>Non-life insurance business</u> (ii) <u>Provision of agency services for casualty insurance</u> (iii) <u>Other businesses that may be conducted by non-life insurance companies pursuant to the Insurance Business Act and other laws</u> (9) Information processing <u>service</u> business, information distribution business, telecommunication business, advertising business, and publishing business; (10) Acting as a contractor to perform design, construction, installation, repair, and

Current Articles of Incorporation	Proposed Amendments
<p>demolition services in connection with any type of construction work;</p> <p>(10) Provision of <u>payment collection</u> services and corporate accounting services;</p> <p>(11) Sale, purchase, <u>exchange, development, lease, and maintenance of real estate</u>, and business relating to the operation of <u>various facilities</u>;</p> <p>(12) Electricity generation business, business relating to the provision and sale of energy, gas, and other forms of energy and natural resources, and provision of goods and services in the environmental and energy field;</p> <p>(13) Provision of medical and healthcare services and nursing care services; [Newly Established] [Newly Established] [Newly Established]  [Newly Established]  [Newly Established] [Newly Established] [Newly Established] [Newly Established] [Newly Established]  [Newly Established]</p> <p>(14) All brokering, agency, inspection, and consulting services incidental and relating to the foregoing matters; and</p> <p>(15) All operations incidental and relating to the foregoing matters.</p>	<p><u>supervision, development</u>, and demolition services in connection with any type of construction work;</p> <p>(11) Provision of <u>collection and payment</u> services and corporate accounting services; [Moved to Article 2, Subparagraph (2) of the Proposed Amendments]</p> <p>(12) Electricity generation business, business relating to the provision and sale of energy, gas, and other forms of energy and natural resources, and provision of goods and services in the environmental and energy field;</p> <p>(13) Provision of medical and healthcare services and nursing care services;</p> <p>(14) <u>Credit card business</u></p> <p>(15) <u>Credit research business</u></p> <p>(16) <u>Issue, sale and management of prepaid certificates</u></p> <p>(17) <u>Trust business and trust agreement agency business</u></p> <p>(18) <u>Warehousing business</u></p> <p>(19) <u>Worker dispatching business</u></p> <p>(20) <u>Secondhand articles dealing</u></p> <p>(21) <u>Real estate transaction business</u></p> <p>(22) <u>Bank agency business</u></p> <p>(23) <u>Entrustment of personnel affairs, salary, and welfare, etc.</u></p> <p>(24) <u>Business related to agriculture, forestry and fisheries, etc.</u></p> <p>(25) All brokering, agency, inspection, and consulting services incidental and relating to the foregoing matters; and</p> <p>(26) All operations incidental and relating to the foregoing matters.</p>
Article 3. (Location of Head Office) The Company shall have its head office in Chiyoda-ku, Tokyo.	Article 3. (No change)
Article 4. (Method of Public Notices) Any public notice of the Company shall be given in the electronic notices; however, in the event that such electronic notice is not available due to an accident or other unavoidable reason, the public notice shall be given by publication in the <i>Nihon Keizai Shimbun</i> .	Article 4. (Method of Public Notices) Any public notice of the Company shall be given in the electronic notices; however, in the event that such <u>public notice in the</u> electronic notice is not available due to an accident or other unavoidable reason, the public notice shall be given by publication in the <i>Nihon Keizai Shimbun</i> .
Chapter 2. Shares	Chapter 2. Shares
Article 5. (Total Number of Shares Authorized to be Issued)	Article 5. (Total Number of Shares Authorized to be Issued)



Current Articles of Incorporation	Proposed Amendments
The total number of shares authorized to be issued by the Company shall be <u>three billion two hundred million (3,200,000,000)</u> shares.	The total number of shares authorized to be issued by the Company shall be <u>four billion eight hundred million (4,800,000,000)</u> shares.
Article 6. (Acquisition of Treasury Shares) The Company may purchase treasury shares prescribed by <u>a</u> resolution of the Board of Directors by way of market transaction or otherwise.	Article 6. (Acquisition of Treasury Shares) The Company may purchase treasury shares prescribed by resolution of the Board of Directors by way of market transaction or otherwise.
Article 7. (Number of Shares of One Voting Unit) The number of shares constituting one voting unit of shares of the Company shall be one hundred (100).	Article 7. (No change)
Article 8. (Request for Sale by Shareholder Holding Shares Constituting Less Than One Voting Unit) A shareholder holding shares constituting less than one voting unit may request the Company to sell the relevant number of shares which shall constitute one voting unit of shares if combined with the shares constituting less than one voting unit already held by such shareholder ( <u>“Request for Sale”</u> ).	Article 8. (Request for Sale by Shareholder Holding Shares Constituting Less Than One Voting Unit) A shareholder holding shares constituting less than one voting unit may request the Company to sell the relevant number of shares which shall constitute one voting unit of shares if combined with the shares constituting less than one voting unit already held by such shareholder.
Article 9. (Restrictions on Rights of Shareholder Holding Shares Constituting Less Than One Voting Unit) Shareholders holding shares constituting less than one voting unit of the Company shall not be allowed to exercise any rights except for the following rights: <ol style="list-style-type: none"> <li>(1) The rights provided for in each item of <u>Paragraph 2 of Article 189 of the Corporation Law</u>;</li> <li>(2) The rights to make a request for acquisition of shares with put option;</li> <li>(3) The rights to receive the allotment of shares for subscription and stock acquisition rights for subscription; and</li> <li>(4) The rights to make a <u>Request for Sales for</u> shares constituting less than one voting unit as provided for in the preceding article.</li> </ol>	Article 9. (Restrictions on Rights of Shareholder Holding Shares Constituting Less Than One Voting Unit) Shareholders holding shares constituting less than one voting unit of the Company shall not be allowed to exercise any rights except for the following rights: <ol style="list-style-type: none"> <li>(1) The rights provided for in each item of <u>Article 189, Paragraph 2 of the Companies Act</u>;</li> <li>(2) The rights to make a request for acquisition of shares with put option;</li> <li>(3) The rights to receive the allotment of shares for subscription and stock acquisition rights for subscription; and</li> <li>(4) The rights to make a <u>request for the sale of</u> shares constituting less than one voting unit as provided for in the preceding article.</li> </ol>
Article 10. (Administrator of Shareholders' Registry) <ol style="list-style-type: none"> <li>1. The Company shall have an administrator of shareholders' registry.</li> <li>2. The administrator of shareholders' registry and <u>its handling office of business</u> shall be designated by resolution of the Board of Directors and the Company shall make a public notice concerning such matters.</li> </ol>	Article 10. (Administrator of Shareholders' Registry) <ol style="list-style-type: none"> <li>1. The Company shall have an administrator of shareholders' registry.</li> <li>2. The administrator of shareholders' registry and <u>the location for the handling of its business</u> shall be designated by resolution of the Board of Directors <u>or by decision of a Director who has been delegated by resolution of the Board of Directors</u>, and the Company shall make a public notice concerning such</li> </ol>

Current Articles of Incorporation	Proposed Amendments
	matters.
<p>Article 11. (Share Handling Regulations)</p> <p>The entries and records on the shareholders' registry and registry of stock acquisition rights, purchase and <u>Request for Sale</u> of shares constituting less than one voting unit, other administration and handling charges relating to shares and stock acquisition rights, and a procedure when shareholders exercise their rights and so on shall be governed by the Share Handling Regulations established by the Board of Directors, as well as laws and regulations or the Articles of Incorporation.</p>	<p>Article 11. (Share Handling Regulations)</p> <p>The entries and records on the shareholders' registry and registry of stock acquisition rights, purchase and <u>sale</u> of shares constituting less than one voting unit, other administration and handling charges relating to shares and stock acquisition rights, and a procedure when shareholders exercise their rights and so on shall be governed by the Share Handling Regulations, <u>as established by the Board of Directors or by decision of a Director who has been delegated by resolution of the Board of Directors</u>, as well as laws and regulations or the Articles of Incorporation.</p>
<p>Article 12. (Record Date)</p> <p>1. The Company shall deem the shareholders holding voting rights whose names have been entered or recorded in the latest shareholders' registry as of March 31 of each year to be the shareholders who are entitled to exercise their rights at the ordinary general meeting of shareholders for the relevant business year.</p> <p>2. Notwithstanding the preceding paragraph, whenever necessary, the Company may, upon giving prior public notice, fix a date as a record date and may deem the shareholders or registered pledgees of shares whose names have been entered or recorded in the latest shareholders' registry as of such date as the shareholders or the registered pledgees of shares entitled to exercise their rights by resolution of the Board of Directors.</p>	<p>Article 12. (Record Date)</p> <p>1. The Company shall deem the shareholders holding voting rights whose names have been entered or recorded in the latest shareholders' registry as of March 31 of each year to be the shareholders who are entitled to exercise their rights at the ordinary general meeting of shareholders for the relevant business year.</p> <p>2. Notwithstanding the preceding paragraph, whenever necessary, the Company may, upon giving prior public notice, fix a date as a record date and may deem the shareholders or registered pledgees of shares whose names have been entered or recorded in the latest shareholders' registry as of such date as the shareholders or the registered pledgees of shares entitled to exercise their rights by resolution of the Board of Directors <u>or by decision of a Director who has been delegated by resolution of the Board of Directors</u>.</p>
Chapter 3. General Meeting of Shareholders	Chapter 3. General Meeting of Shareholders
<p>Article 13. (Convocation of General Meeting of Shareholders)</p> <p>An ordinary general meeting of shareholders shall be convened in June of each year. Extraordinary general meetings of shareholders shall be convened whenever necessary.</p>	Article 13. (No change)
<p>Article 14. (Convener and Chairperson of General Meeting of Shareholders)</p> <p>1. The President and CEO shall convene a general meeting of shareholders of the Company by resolution of the Board of Directors unless otherwise stipulated by laws or regulations. <u>Should the President and CEO be unable to so act, one of the other Directors shall convene the meeting in accordance with the order determined by the Board of Directors in advance.</u></p> <p>2. <u>The President and CEO shall serve as</u></p>	<p>Article 14. (Convener and Chairperson of General Meeting of Shareholders)</p> <p>1. The President and CEO shall convene a general meeting of shareholders of the Company by resolution of the Board of Directors <u>and shall serve as chairperson</u> unless otherwise stipulated by laws or regulations.</p> <p>2. <u>Should the President and CEO be unable to so</u></p>

Current Articles of Incorporation	Proposed Amendments
<p><u>chairperson of the general meetings of shareholders and, should the President and CEO be unable to so act, one of the other Directors shall serve as <u>the</u> chairperson in accordance with the order determined by the Board of Directors in advance.</u></p>	<p>act, one of the other Directors <u>shall convene the meeting and</u> shall serve as chairperson in accordance with the order determined by the Board of Directors in advance.</p>
<p>Article 15. (Disclosure via Internet and Deemed Provision of Reference Materials for General Meeting of Shareholders, Etc.) In connection with the convocation of a general meeting of shareholders, the Company can deem that shareholders have been provided with such information concerning matters to be described or indicated in the reference materials for the general meeting of shareholders, business reports, financial statements, and consolidated financial statements by disclosing such information via the internet in accordance with the <u>ministerial ordinances</u> of the Ministry of Justice.</p>	<p>Article 15. (Disclosure via Internet and Deemed Provision of Reference Materials for General Meeting of Shareholders, Etc.) In connection with the convocation of a general meeting of shareholders, the Company can deem that shareholders have been provided with such information concerning matters to be described or indicated in the reference materials for the general meeting of shareholders, business reports, financial statements, and consolidated financial statements by disclosing such information via the internet in accordance with the <u>Ordinance</u> of the Ministry of Justice.</p>
<p>Article 16. (Voting by Proxy for General Meeting of Shareholders) 1. A shareholder of the Company may exercise his or her voting rights through one (1) proxy who is also a shareholder of the Company holding voting rights 2. In the case of the preceding paragraph, the shareholder or the proxy must file with the Company a document evidencing the authority of such proxy for each general meeting of shareholders.</p>	<p>Article 16. (No change)</p>
<p>Article 17 (Method of Adopting Resolutions of General Meeting of Shareholders) 1. Unless otherwise provided by laws or regulations or the Articles of Incorporation, resolutions of general meeting of shareholders of the Company shall be adopted by a majority of the voting rights of the shareholders represented at a particular meeting who are entitled to exercise voting rights. 2. <u>Unless otherwise provided by the Articles of Incorporation, resolutions of general meeting of shareholders stipulated in Article 309, Paragraph 2 of the Corporation Law shall be adopted by two-thirds (2/3) or more of the voting rights of shareholders represented at a particular meeting, for which a quorum shall be the attendance or other representation of one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights thereat.</u></p>	<p>Article 17. (Method of Adopting Resolutions of General Meeting of Shareholders) 1. Unless otherwise provided by laws or regulations or the Articles of Incorporation, resolutions of general meeting of shareholders of the Company shall be adopted by a majority of the voting rights of the shareholders represented at a particular meeting who are entitled to exercise voting rights. 2. <u>Resolutions of general meeting of shareholders stipulated in Article 309, Paragraph 2 of the Companies Act shall be adopted by two-thirds (2/3) or more of the voting rights of shareholders represented at a particular meeting, for which a quorum shall be the attendance or other representation of one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights thereat.</u></p>
<p>Article 18. (Minutes of General Meeting of Shareholders)</p>	<p>Article 18 (No change)</p>

Current Articles of Incorporation	Proposed Amendments
The substance and results of the proceedings of the general meeting of shareholders, as well as any matters provided by laws and regulations, shall be recorded in the minutes of the meeting.	
Chapter 4. Directors and Board of Directors	Chapter 4. Directors and Board of Directors
Article 19. (Board of Directors) The Company shall have a Board of Directors.	Article 19 (No change)
Article 20. (Number of Directors) The Company shall have no more than twenty two (22) Directors. [Newly Established]	Article 20. (Number of Directors) 1. The Company shall have no more than twenty two (22) Directors. 2. <u>Among the Directors provided for in the preceding paragraph, the Company shall have no more than seven (7) Directors who serve as Audit and Supervisory Committee members.</u>
Article 21. (Election of Directors) 1. The Directors shall be elected by a resolution of a general meeting of shareholders.  2. The resolution to elect Directors shall be adopted by an affirmative vote of the majority of voting rights of shareholders present at the general meeting of shareholders, a quorum for which shall be the presence of shareholders with one-third (1/3) or more of the voting rights <u>exercisable for such meeting</u> . 3. The resolution to elect Directors shall not be based on cumulative voting.	Article 21. (Election of Directors) 1. The Directors shall be elected by resolution of a general meeting of shareholders, <u>distinguishing Directors who serve as Audit and Supervisory Committee members from other Directors.</u> 2. The resolution to elect Directors shall be adopted by an affirmative vote of the majority of voting rights of shareholders present at the general meeting of shareholders, a quorum for which shall be the presence of shareholders with one-third (1/3) or more of the voting rights <u>of shareholders entitled to exercise voting rights thereat.</u> 3. The resolution to elect Directors shall not be based on cumulative voting.
Article 22. (Term of Office of Directors) The term of office of Directors of the Company shall expire at the conclusion of the ordinary general meeting of shareholders held in respect of the last business year ending within one (1) year from the date of election.  [Newly Established]	Article 22. (Term of Office of Directors) 1. The term of office of Directors ( <u>other than those who serve as Audit and Supervisory Committee members</u> ) of the Company shall expire at the conclusion of the ordinary general meeting of shareholders held in respect of the last business year ending within one (1) year from the date of election. 2. <u>The term of office of Directors (other than those who serve as Audit and Supervisory Committee members) of the Company who have been elected to increase the number of Directors shall expire when the term of office of other incumbent Directors (other than those who serve as Audit and Supervisory Committee members) expires. The term of office of Directors who have been elected as substitutes for Directors (other than those who serve as Audit and Supervisory Committee members) who retired from office before its expiration shall expire when the term of office of the retired Directors (other than those who serve as Audit and Supervisory Committee members) expires.</u>

Current Articles of Incorporation	Proposed Amendments
<p>[Newly Established]</p> <p>[Newly Established]</p> <p>[Newly Established]</p>	<p>3. <u>The term of office of Directors of the Company who serve as Audit and Supervisory Committee members shall expire at the conclusion of the ordinary general meeting of shareholders held in respect of the last business year ending within two (2) years from the date of election.</u></p> <p>4. <u>The term of office of Directors who serve as Audit and Supervisory Committee members and who have been elected as substitutes for Directors who served as Audit and Supervisory Committee members and who retired from office before its expiration shall expire upon expiration of the term of the retired Directors.</u></p> <p>5. <u>The effect of resolution relating to the election of substitute Directors who serve as Audit and Supervisory Committee members pursuant to Article 329, Paragraph 3 of the Companies Act shall expire at the start of the ordinary general meeting of shareholders held in respect of the last business year ending within two (2) years from the date of resolution, unless shortened by such resolution.</u></p>
<p>Article 23. (Representative Directors and Directors with Specific Titles)</p> <p>1. The Company shall, by resolution of the Board of Directors, appoint Representative Director(s).</p> <p>2. The Representative Director(s) of the Company shall represent the Company and execute the business of the Company.</p> <p>3. The Board of Directors of the Company may, by its resolution, appoint <u>one (1) President and CEO (<i>shacho</i>), and one (1) or more Managing Director(s) (<i>jomu</i>). It may also appoint one (1) Chairman of the Board of Directors (<i>kaicho</i>) and one (1) or more Deputy Chairmen (<i>fukukaicho</i>), Senior Vice President(s) (<i>fukushacho</i>) and Senior Managing Director(s) (<i>senmu</i>) as required.</u></p>	<p>Article 23. (Representative Directors and Directors with Specific Titles)</p> <p>1. The Company shall, by resolution of the Board of Directors, appoint Representative Director(s) <u>from among Directors (other than those who serve as Audit and Supervisory Committee members).</u></p> <p>2. The Representative Director(s) of the Company shall represent the Company and execute the business of the Company.</p> <p>3. The Board of Directors of the Company may, by its resolution, appoint one (1) Chairman of the Board of Directors (<i>kaicho</i>), <u>one (1) President and CEO (<i>shacho</i>), and one (1) or more Directors with other specific titles, as required, from among the Directors (other than those who serve as Audit and Supervisory Committee members).</u></p>
<p>Article 24. (Convener and Chairperson of Meetings of Board of Directors)</p> <p>1. If the Company has a Chairman of the Board of Directors, he or she shall convene meetings of the Board of Directors of the Company and serve as <u>the</u> chairperson; and if the Company does not have a Chairman of the Board of Directors, the President and CEO shall so act unless otherwise stipulated by laws or regulations.</p>	<p>Article 24. (Convener and Chairperson of Meetings of Board of Directors)</p> <p>1. If the Company has a Chairman of the Board of Directors, he or she shall convene meetings of the Board of Directors of the Company and serve as chairperson; and if the Company does not have a Chairman of the Board of Directors, the President and CEO shall so act unless otherwise stipulated by laws or regulations.</p>

Current Articles of Incorporation	Proposed Amendments
2. Should the Chairman of the Board of Directors be unable to so act, the President and CEO <u>shall act on his or her behalf</u> and should the President be unable to so act, one of the other Directors shall convene the meeting and serve as chairperson in accordance with the order determined by the Board of Directors in advance.	2. Should the Chairman of the Board of Directors be unable to so act, the President and CEO, and should the President <u>and CEO</u> be unable to so act, one of the other Directors, shall convene the meeting and serve as chairperson in accordance with the order determined by the Board of Directors in advance.
Article 25. (Convocation Notice of Meetings of Board of Directors) Convocation notice of a meeting of the Board of Directors shall be given to each Director <u>and each Statutory Auditor</u> at least three (3) days prior to the date of such meeting; however, such period may be shortened in the case of emergency.	Article 25. (Convocation Notice of Meetings of Board of Directors) Convocation notice of a meeting of the Board of Directors shall be given to each Director at least three (3) days prior to the date of such meeting; however, such period may be shortened in the case of emergency.
Article 26. (Method of Adopting Resolutions of Board of Directors) A resolution of the Board of Directors shall be adopted by an affirmative vote of a majority of the Directors present at the meeting at which a majority of the Directors are present.	Article 26. (Method of Adopting Resolutions of Board of Directors) A resolution of the Board of Directors shall be adopted by an affirmative vote of a majority of the Directors <u>who are</u> present at the meeting at which a majority of the Directors <u>entitled to participate in the vote</u> are present.
Article 27. (Omission of Resolution of Board of Directors) <u>The Company may deem a matter to be resolved by the meeting of the Board of Directors to have been adopted by a resolution of the Board of Directors approving it in the case where all of the Directors consent in writing or by way of electromagnetic record, unless a Statutory Auditor expresses his or her objection thereto.</u>	Article 27. (Omission of Resolution of Board of Directors) <u>Where a Director has made a proposal on a matter that is to be the purpose of resolution by the Board of Directors, the Company may deem that resolution to adopt that matter has been passed by the Board of Directors in the case where all of the Directors (limited to those who are entitled to participate in the vote on that matter) consent in writing or by way of electromagnetic record.</u>
[Newly Established]	Article 28. (Delegation of Decisions on the Execution of Material Business) <u>The Company may, pursuant to Article 399-13, Paragraph 6 of the Companies Act, delegate to Directors the power to make all or part of the decisions on the execution of material business (excluding matters listed under each item of Paragraph 5 of the same article), by resolution of the Board of Directors.</u>
Article 28. (Minutes of Meeting of Board of Directors) The substance and results of the proceedings of the meeting of the Board of Directors, as well as any matters provided by laws and regulations, shall be recorded in the minutes of the meeting and the Directors <u>and Statutory Auditors</u> present <u>thereat</u> shall affix their names and seals <u>or electronic signature thereon</u> .	Article 29. (Minutes of Meeting of Board of Directors) The substance and results of the proceedings of the meeting of the Board of Directors, as well as any matters provided <u>for</u> by laws and regulations, shall be <u>stated or</u> recorded in the minutes of the meeting, <u>and the Directors present at such meeting shall affix their names and seals thereto, or sign, or take any measures in lieu of the foregoing as provided for in the Ordinance of the Ministry of Justice.</u>
Article 29. (Regulations of Board of Directors)	Article 30. (Regulations of Board of Directors)

Current Articles of Incorporation	Proposed Amendments
Matters concerning the Board of Directors shall be governed by the Regulations of the Board of Directors established by the Board of Directors, as well as by laws and regulations or the Articles of Incorporation.	Matters concerning the Board of Directors shall be governed by the Regulations of the Board of Directors, <u>as</u> established by the Board of Directors, as well as by laws and regulations or the Articles of Incorporation.
Article 30. (Remuneration, Etc., for Directors) The Remuneration, <u>Etc.</u> , for Directors shall be determined by a resolution of a general meeting of shareholders.	Article 31. (Remuneration, etc., for Directors) The Remuneration, <u>etc.</u> , for Directors shall be determined by resolution of a general meeting of shareholders, <u>distinguishing that of Directors who serve as Audit and Supervisory Committee members from that of other Directors.</u>
[Newly Established]	Article 32. (Directors' Exemption from Liability) <u>Pursuant to Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Directors (including former Directors) from liability for damages under Article 423, Paragraph 1 of the Companies Act, to the extent of the minimum amount of liability provided for under laws or regulations.</u>
Article 31. (Liability Limitation Agreements with Outside Directors) <u>The Company may enter into agreements with Outside Directors to limit their liability if the requirements prescribed in laws and regulations are met for the liability for damages provided for in Article 423, Paragraph 1 of the Corporation Law; however, the liability for damages under such agreements shall be limited to the higher of either (i) the pre-determined amount not less than eight million (8,000,000) yen, or (ii) the minimum amount prescribed in laws and regulations.</u>	Article 33. (Agreements Limiting Liability of Non-Executive Directors, etc.) <u>Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company may enter into agreements with Directors (excluding Executive Directors, etc.) to limit their liability for damages, to the extent of the minimum amount of liability provided for under laws or regulations, if the requirements provided for under laws or regulations are met with respect to the liability for damages under Article 423, Paragraph 1 of the Companies Act.</u>
Chapter 5. <u>Statutory Auditors and Board of Statutory Auditors</u>	Chapter 5. <u>Audit and Supervisory Committee</u>
Article 32. (Statutory Auditors and Board of Statutory Auditors) The Company shall have <u>Statutory Auditors and a Board of Statutory Auditors.</u>	Article 34. (Audit and Supervisory Committee)  The Company shall have <u>an Audit and Supervisory Committee.</u>
Article 33. (Number of Statutory Auditors) <u>The Company shall have no less than three (3) Statutory Auditors.</u>	[To be deleted]
Article 34. (Election of Statutory Auditors) 1. <u>The Statutory Auditors of the Company shall be elected by a resolution of a general meeting of shareholders.</u> 2. <u>The resolution to elect Statutory Auditors of the Company shall be adopted by a majority of the voting rights of shareholders present at the general meeting of shareholders, a quorum for which shall be the presence of shareholders with one-third (1/3) or more of the voting rights exercisable for such meeting.</u>	[To be deleted]

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 35. (Term of Office of Statutory Auditors)</u></p> <p>1. <u>The term of office of Statutory Auditors of the Company shall expire at the conclusion of the ordinary general meeting of shareholders held in respect of the last business year ending within four (4) years from the date of election.</u></p> <p>2. <u>The term of office of a Statutory Auditor who is elected to fill the vacancy of a Statutory Auditor who resigned shall last until the expiration of the remaining term of the Statutory Auditor who resigned.</u></p>	<p>[To be deleted]</p>
<p><u>Article 36. (Standing Statutory Auditors)</u></p> <p><u>The Board of Statutory Auditors shall elect Standing Statutory Auditors from among the Statutory Auditors.</u></p>	<p><u>Article 35. (Full-time Audit and Supervisory Committee Members)</u></p> <p><u>The Audit and Supervisory Committee may elect full-time Audit and Supervisory Committee members by means of resolution.</u></p>
<p><u>Article 37. (Convocation Notice of Meetings of Board of Statutory Auditors)</u></p> <p><u>Convocation notice of a meeting of the Board of Statutory Auditors of the Company shall be given to each Statutory Auditor at least three (3) days prior to the date of such meeting; however, such period may be shortened in the case of emergency.</u></p>	<p><u>Article 36. (Convocation Notice of Meetings of Audit and Supervisory Committee)</u></p> <p><u>Convocation notice of a meeting of the Audit and Supervisory Committee shall be given to each member at least three (3) days prior to the date of such meeting; however, such period may be shortened in the case of emergency.</u></p>
<p><u>Article 38. (Method of Adopting Resolutions of Board of Statutory Auditors)</u></p> <p><u>Unless otherwise provided by laws or regulations, resolutions of a meeting of the Board of Statutory Auditors shall be adopted by an affirmative vote of a majority of the Statutory Auditors.</u></p>	<p><u>Article 37. (Method of Adopting Resolutions of Audit and Supervisory Committee)</u></p> <p><u>A resolution of the Audit and Supervisory Committee shall be adopted by an affirmative vote of a majority of the Audit and Supervisory Committee members who are present at a meeting at which a majority of the Audit and Supervisory Committee members entitled to participate in the vote are present.</u></p>
<p><u>Article 39. (Minutes of Meeting of Board of Statutory Auditors)</u></p> <p><u>The substance and results of the proceedings of the meeting of the Board of Statutory Auditors, as well as any matters provided by laws and regulations, shall be recorded in the minutes of the meeting; and the Statutory Auditors present thereat shall affix their names and seals or electronic signature thereon.</u></p>	<p><u>Article 38. (Minutes of Meeting of Audit and Supervisory Committee)</u></p> <p><u>The substance and results of the proceedings of the meeting of the Audit and Supervisory Committee, as well as any matters provided for by laws and regulations, shall be stated or recorded in the minutes of the meeting, and the Audit and Supervisory Committee members present at such meeting shall affix their names and seals thereto, or sign, or take any measures in lieu of the foregoing as provided for in the Ordinance of the Ministry of Justice.</u></p>
<p><u>Article 40. (Regulations of Board of Statutory Auditors)</u></p> <p><u>The matters concerning the Board of Statutory Auditors of the Company shall be governed by the Regulations of the Board of Statutory Auditors established by the Board of Statutory Auditors, as well as by laws and regulations or</u></p>	<p><u>Article 39. (Regulations of Audit and Supervisory Committee)</u></p> <p><u>Matters concerning the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee, as established by the Audit and Supervisory Committee, as well as by laws and regulations or</u></p>



Current Articles of Incorporation	Proposed Amendments
the Articles of Incorporation.	the Articles of Incorporation.
Article 41. (Remuneration, Etc., for Statutory Auditors) <u>The Remuneration, Etc. for Statutory Auditors of the Company shall be determined by a resolution of a general meeting of shareholders.</u>	[To be deleted]
Article 42. (Liability Limitation Agreements with Outside Statutory Auditors) <u>The Company may enter into agreements with Outside Statutory Auditors to limit their liability if the requirements prescribed in laws and regulations are met for the liability for damages provided for in Article 423, Paragraph 1 of the Corporation Law; however, the liability for damages under such agreements shall be limited to the higher of either (i) the pre-determined amount not less than eight million (8,000,000) yen, or (ii) the minimum amount prescribed in laws and regulations.</u>	[To be deleted]
Chapter 6. Accounting Auditor	Chapter 6. Accounting Auditor
Article 43. (Accounting Auditor) The Company shall have an Accounting Auditor.	Article 40. (No change)
Article 44. (Election of Accounting Auditor) The Accounting Auditor of the Company shall be elected by a resolution of a general meeting of shareholders.	Article 41. (No change)
Article 45. (Term of Office of Accounting Auditor) 1. The term of office of the Accounting Auditor of the Company shall expire at the conclusion of the ordinary general meeting of shareholders held in respect of the last business year ending within one (1) year from the date of election. 2. The Accounting Auditor shall be deemed to have been re-elected at the ordinary general meeting of shareholders mentioned in the preceding paragraph unless otherwise resolved at such meeting.	Article 42. (No change)
Article 46. (Remuneration, Etc., of Accounting Auditor) <u>The Remuneration, Etc., for the Accounting Auditor shall be determined by the Representative Director with consent of the Board of Statutory Auditors.</u>	Article 43. (Remuneration, etc., of Accounting Auditor) The remuneration, etc., of the Accounting Auditor shall be determined by the Representative Director with consent of the <u>Audit and Supervisory Committee.</u>
Chapter 7. Accounts	Chapter 7. Accounts
Article 47. (Business Year) The business year of the Company shall be from April 1 of each year to March 31 of the following year.	Article 44. (No change)
Article 48. (Distribution of Surplus, Etc.) 1. The Company shall determine such matters which are described in each item in Article 459, Paragraph 1 of the <u>Corporation Law</u> by	Article 45. (Distribution of Surplus, Etc.) 1. The Company shall determine such matters which are described in each item in Article 459, Paragraph 1 of the <u>Companies Act</u> by

Current Articles of Incorporation	Proposed Amendments
<p>a resolution of the Board of Directors.</p> <p>2. The Company shall make monetary distributions of surplus (“Dividends”) to the shareholders or registered pledgees of shares entered or recorded in the latest shareholders’ registry as of March 31 or September 30 of each year.</p> <p>3. The Company shall not have such matters which are described in each item in Article 459, Paragraph 1 of the <u>Corporation Law</u> determined by a resolution of the general meeting of shareholders.</p>	<p>resolution of the Board of Directors.</p> <p>2. The Company shall make monetary distributions of surplus (“Dividends”) to the shareholders or registered pledgees of shares entered or recorded in the latest shareholders’ registry as of March 31 or September 30 of each year.</p> <p>3 The Company shall not have such matters which are described in each item in Article 459, Paragraph 1 of the <u>Companies Act</u> determined by resolution of the general meeting of shareholders.</p>
<p>Article <u>49</u>. (Limitation on Dividends)</p> <p>1. If the Dividends are not received within three (3) years from the date of commencement of payment thereof, the Company shall be relieved of the obligation to make such payment.</p> <p>2. Unpaid Dividends shall bear no interest.</p>	<p>Article <u>46</u>. (No change)</p>
<p>[Newly Established]</p>	<p><u>Supplementary Provisions</u></p> <p><u>Article 1. (Transitional Measures concerning Exemption from Liability)</u></p> <p>1. Pursuant to Article 426, paragraph (1) of the <u>Companies Act</u>, the Company may exempt the liability for damages under Article 423, paragraph (1) of the <u>Companies Act</u> of the executive officers of the merged company (including former executive officers) before effectuation of the absorption-type merger in which the Company will be the surviving company, and Hitachi Capital will be the merged company, to the extent set forth in laws and regulations, by resolution of the board of directors meeting.</p> <p>2. Agreements to limit the liability for damages under Article 423, paragraph (1) of the <u>Companies Act</u> of the statutory auditor of the Company before effectuation of the amendment to the Articles of Incorporation based on the resolution of the extraordinary meeting of shareholders to be held on February 26, 2021, remain the same as set forth in Article 42 of the Articles of Incorporation before the amendment by resolution of the extraordinary meeting of shareholders above.</p>

## (Reference) List of Candidates for the Third and Fourth Items of Business

The candidates for the third and fourth items of business are as follows.

### Third Item of Business Election of 10 (Ten) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

Number		Candidate's Name	Current Position and Responsibility at the Company
1	New appointment	Seiji Kawabe	
2	Reappointment	Takahiro Yanai	President & CEO (Representative Director)
3	New appointment	Kanji Nishiura	
4	Reappointment	Tsuyoshi Nonoguchi	Senior Managing Director; In charge of Corporate Center
5	New appointment	Kazumi Anei	
6	New appointment	Satoshi Inoue	
7	New appointment	Haruhiko Sato	
8	New appointment	Hiroyasu Nakata	Outside Director Independent Director Audit & Supervisory Board Member
9	Reappointment	Mitsumasa Icho	Outside Director Director
10	New appointment	Yuri Sasaki	Outside Director Independent Director

### Fourth Item of Business Election of 5 (Five) Directors who are Audit and Supervisory Committee Members

Number		Candidate's Name	Current Position and Responsibility at the Company
1	New appointment	Seiichiro Kishino	
2	New appointment	Shuji Miake	Audit & Supervisory Board Member
3	New appointment	Teruyuki Minoura	Outside Director Independent Director Director
4	New appointment	Koichiro Hiraiwa	Outside Director Independent Director
5	New appointment	Hiroko Kaneko	Outside Director Independent Director Audit & Supervisory Board Member
	Outside Director	...	Candidate for Outside Director
	Independent Director	...	Candidate to be registered with the Tokyo Stock Exchange and the Nagoya Stock Exchange as independent director

**Third Item of Business**

Election of 10 (Ten) Directors (Excluding Directors who are Audit and Supervisory Committee Members)


The Company will transition into a company with an audit and supervisory committee following the Merger scheduled on April 1, 2021, subject to the approval of the first item of business, “Approval of the Merger Agreement between the Company and Hitachi Capital Corporation,” as well as the second item of business, “Partial Amendments to the Articles of Incorporation.” As the terms of office of the 9 (nine) incumbent Directors of the Company will expire as of the timing when the amendments to the Articles of Incorporation take effect, pursuant to the provisions of Article 332, Paragraph 7, Item 1 of the Companies Act, the shareholders are hereby requested to newly elect 10 (ten) Directors (excluding Directors who are Audit and Supervisory Committee members), within the number of Directors set forth in Article 7 of the Merger Agreement, with a view toward the expansion of business after the Merger.

The appointment of candidates for Directors (excluding Directors who are Audit and Supervisory Committee members) shall take effect on the effective date of the Merger and the amendments to the Articles of Incorporation (tentatively, on April 1, 2021), subject to the resolution for approval of the first and second items of business, as originally proposed, and their having taken effect accordingly.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee members) are as follows:

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies		Number of Company's Shares Owned
1	<div></div> <div>New appointment</div> <div>Seiji Kawabe (September 3, 1955)</div>	April 1980	Joined Hitachi Leasing Corp. (currently Hitachi Capital Corporation)	0
		August 2000	General Manager of Sales Dept. II, Kansai Branch Office of Hitachi Leasing Corp.	
		October 2000	General Manager of Sales Dept. II, Kansai Corporate Sales Branch I, Kansai Sales Division of Hitachi Capital Corporation (Hitachi Capital)	
		April 2002	Head of Kansai Corporate Sales Branch and General Manager of Sales Dept. II, Kansai Sales Division of Hitachi Capital	
		April 2003	Head of Sales Division I of Hitachi Capital	
		September 2007	Co-head of Corporate Sales & Marketing Division and Co-head of Tokyo Sales Division II of Hitachi Capital	
		April 2008	Vice President, Executive Officer, and Co-head of the Corporate Sales & Marketing Division of Hitachi Capital	Number of Hitachi Capital Corporation's shares Owned
		April 2009	Vice President, Executive Officer, and Head of the Corporate Sales & Marketing Division of Hitachi Capital	19,500
		April 2012	Senior Vice President and Executive Officer, in charge of Corporate Business, Hitachi Group Business and Financial Services Business of Hitachi Capital	
		April 2014	Senior Vice President, Executive Officer, and Chief Marketing Officer of Hitachi Capital	
		April 2015	Senior Vice President, Executive Officer, Chief Marketing Officer, Head of the Corporate Sales & Marketing Division, and Head of the Service Business Division of Hitachi Capital	
		April 2016	Representative Executive Officer, President and Chief Executive Officer of Hitachi Capital (incumbent)	
		June 2016	Director of Hitachi Capital (incumbent)	
Reasons for proposing the new candidate as Director				
Mr. Seiji Kawabe has served as the Representative Executive Officer, President and Chief Executive Officer of Hitachi Capital Corporation since 2016. He has deep knowledge based on his experience in leading the management of the company as it expands globally, as well as a wealth of management experience. We have deemed him to be the best candidate to take responsibility for both supervision and execution of business and to aim for sustainable growth and improvement of corporate value over the medium to long term as the Chairman of the Board of Directors of the New Integrated Company. We are therefore appointing him as a new candidate for Director.				

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies		Number of Company's Shares Owned
2	 <u>Reappointment</u> Takahiro Yanai (May 4, 1958)	April 1982	Joined The Mitsubishi Bank, Ltd.	9,200
		May 2012	Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ Ltd. (BTMU)	
		June 2015	Managing Officer of Mitsubishi UFJ Financial Group, Inc. (MUFG)	Number of Hitachi Capital Corporation's shares Owned
		May 2016	Managing Director of BTMU	
		May 2016	Managing Executive Officer of MUFG	0
		June 2017	Senior Managing Executive Officer of BTMU	
			President & CEO of Mitsubishi UFJ Lease & Finance Company Limited (the Company) (incumbent)	
			Concurrently serves as Executive Officer of the Company (incumbent)	
Reasons for proposing the candidate as Director Since 2017, Mr. Takahiro Yanai has served as the President & CEO of the Company as the chief of business execution based on a wealth of management experience at major Japanese financial institutions. He has deep knowledge based on his experience leading the management of the Company as it expands globally, as well as a wealth of management experience. At the New Integrated Company as well, we have deemed him to be the best candidate to continue to take command of business as the President & CEO and to aim for sustainable growth and improvement of corporate value over the medium to long term. We are therefore reappointing him as a candidate for Director.				


Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies		Number of Company's Shares Owned
3	 <div>New appointment</div> Kanji Nishiura (February 11, 1958)	April 1980	Joined Mitsubishi Corporation	0
		January 2003	Seconded to Metal One Corporation	
		April 2009	General Manager, Metals Group CEO Office of Mitsubishi Corporation	
		April 2010	Senior Vice President and General Manager, Metals Group CEO Office of Mitsubishi Corporation	
		April 2011	Senior Vice President and Division COO, Non-Ferrous Metals Division of Mitsubishi Corporation	
		April 2013	Senior Vice President, Division COO, Mineral Resources Investment Div., and General Manager, MDP Department of Mitsubishi Corporation	
		April 2015	Executive Vice President and Group COO, Metals Group of Mitsubishi Corporation	Number of Hitachi Capital Corporation's shares Owned
		April 2016	Executive Vice President and Group CEO, Metals Group of Mitsubishi Corporation	
		April 2018	Executive Vice President, Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, (Concurrently) Regional CEO, Asia & Oceania of Mitsubishi Corporation	
		June 2018	Member of the Board, Executive Vice President, Corporate Functional Officer, Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management, (Concurrently) Regional CEO, Asia & Oceania of Mitsubishi Corporation	
April 2019	Member of the Board, Executive Vice President, Corporate Functional Officer, Global Strategy of Mitsubishi Corporation	0		
April 2020	Member of the Board of Mitsubishi Corporation			
	June 2020	Corporate Advisor of Mitsubishi Corporation (incumbent)		
Reasons for proposing the new candidate as Director Mr. Kanji Nishiura has a wealth of management experience at a major Japanese general trading company, as well as sufficient knowledge to assume business management of the Company as it expands globally. We expect him to contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director of the New Integrated Company. We are therefore appointing him as a new candidate for Director.				

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies		Number of Company's Shares Owned
4	 <u>Reappointment</u> Tsuyoshi Nonoguchi (September 26, 1960)	April 1984	Joined The Mitsubishi Bank, Ltd.	16,500
		June 2011	Executive Officer and General Manager, Corporate Banking Business Promotion Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
		June 2012	Deputy General Manager, Credit Supervision Department No. 1 of Mitsubishi UFJ Lease & Finance Company Limited (the Company)	
		June 2012	Managing Executive Officer of the Company	0
		June 2013	Managing Director of the Company Concurrently serves as Executive Officer of the Company (incumbent)	
		June 2016	Senior Managing Director of the Company (incumbent)	
		June 2018	Outside Director of Hitachi Capital Corporation (Current responsibility) In charge of Corporate Center	
Reasons for proposing the candidate as Director Mr. Tsuyoshi Nonoguchi has a wealth of experience at major Japanese financial institutions, as well as experience and knowledge in the corporate division with a focus on credit supervision, human resources, and risk management, which he has cultivated while engaged in business management of the Company as it expands globally. At the New Integrated Company as well, we expect him to continuously contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director. We are therefore reappointing him as a candidate for Director.				





Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies		Number of Company's Shares Owned
5	 <u>New appointment</u> Kazumi Anei (September 18, 1960)	April 1985	Joined Hitachi Leasing Corp. (currently Hitachi Capital Corporation)	0
		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 2011	Head of Tokyo Sales Division III, Corporate Business Division of Hitachi Capital	
		October 2011	Co-Head of Corporate Business 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 2015	Corporate Officer and Head of Corporate Business Division, Corporate Sales & Marketing Group of Hitachi Capital	Number of Hitachi Capital Corporation's shares Owned
		April 2016	Executive Officer, Head of Corporate Business Division, Corporate Sales & Marketing Group, and Head of Service Business Division of Hitachi Capital	5,200
		April 2017	Executive Officer, Corporate Sales & Marketing Group, in charge of Japan, and Head of Customer E&E 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 2019	Vice President and Executive Officer, Co-Head of Corporate Sales & Marketing Group, and Chief Executive for Japan, Corporate Sales & Marketing Group 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 (incumbent)	


	<p>Reasons for proposing the new candidate as Director</p> <p>Mr. Kazumi Anei has served as an Executive Officer and the Chief Marketing Officer of Hitachi Capital Corporation since 2016 and 2020, respectively, and has experience and knowledge cultivated while leading the overall business of the company as it expands globally. We expect him to contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director of the New Integrated Company. We are therefore appointing him as a new candidate for Director.</p>
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Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies		Number of Company's Shares Owned
6	 <u>New appointment</u> Satoshi Inoue (April 13, 1959)	April 1983	Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)	0
		April 2013	Senior Manager, Research Planning Group, Finance Dept., Finance Division of Hitachi Capital Corporation (Hitachi Capital)	
		April 2014	Corporate Officer and Co-Head of Finance Group of Hitachi Capital	
		April 2016	Corporate Officer, Co-Head of Finance Division, Management Bases Initiatives Group and General Manager, Finance Dept. of Hitachi Capital	Number of Hitachi Capital Corporation's shares Owned
		April 2017	Executive Officer, Chief Financial Officer, Head of Finance Division, Management Bases Initiatives Group and General Manager, Finance Dept. of Hitachi Capital	2,600
		April 2019	Vice President and Executive Officer, Chief Financial Officer, and Head of Finance Division, Management Bases Initiatives Group of Hitachi Capital	
		April 2020	Senior Vice President and Executive Officer, Chief Financial Officer, and Head of Finance (in charge of Human Capital Division) of Hitachi Capital (incumbent)	
Reasons for proposing the new candidate as Director Mr. Satoshi Inoue has served as an Executive Officer and Chief Financial Officer of Hitachi Capital Corporation since 2017 and has experience and knowledge in the corporate division with a focus on finance, which he has cultivated while engaged in the overall management of the company as it expands globally. We expect him to contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director of the New Integrated Company. We are therefore appointing him as a new candidate for Director.				

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies		Number of Company's Shares Owned
7	 <div>New appointment</div> Haruhiko Sato (June 19, 1965)	April 1989	Joined Mitsubishi Corporation	0
		November 2002	Mitsubishi International GmbH	
		January 2007	Moscow Office of Mitsubishi Corporation	Number of Hitachi Capital Corporation's shares Owned
		April 2009	Treasurer Office of Mitsubishi Corporation	
		March 2014	Senior Vice President, Corporate Staff Section and CFO of Mitsubishi Corporation (Americas)	0
		April 2019	General Manager, Power Solution Administration Department of Mitsubishi Corporation (incumbent)	
Reasons for proposing the new candidate as Director				
Mr. Haruhiko Sato has a wealth of experience at a major Japanese general trading company, as well as sufficient knowledge to assume business management of the Company as it expands globally. We expect him to contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director of the New Integrated Company. We are therefore appointing him as a new candidate for Director.				

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies	Number of Company's Shares Owned
8	 New appointment Outside Director Independent 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) 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 (incumbent) June 2017 Emeritus Professor of The University of Tokyo June 2018 Audit & Supervisory Board Member of Mitsubishi UFJ Lease & Finance Company Limited (incumbent) (Important Status in Other Companies) Professor at Waseda Law School	0          Number of Hitachi Capital Corporation's shares Owned          0
		Reasons for proposing the new candidate as Director Mr. Hiroyasu Nakata has academic knowledge as a university professor and deep knowledge as a legal expert. Since assuming office as an Audit & Supervisory Board Member of the Company in 2018, he has contributed to ensuring sound management of the Company by conducting audits from a neutral and objective perspective. At the New Integrated Company, we expect him to contribute to appropriate decision making and supervision of overall management by the Board of Directors as an Outside Director from an objective perspective independent of executive management responsible for executing business. We are therefore appointing him as a new candidate for Director.	
		Attendance at Board of Directors meetings (FY2020): 8 out of 8 times (100%)	
		Attendance at Audit & Supervisory Board meetings (FY2020): 11 out of 11 times (100%)	
		Term of office as an Outside Audit & Supervisory Board Member: 2 years 8 months	

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies		Number of Company's Shares Owned
9	 <div>Reappointment</div> <div>Outside Director</div> Mitsumasa Ichio (January 19, 1960)	April 1982	Joined Mitsubishi Corporation	0
		April 2012	General Manager, Machinery Group Administration Department of Mitsubishi Corporation	
		April 2014	Senior Vice President and General Manager, Risk Management Department of Mitsubishi Corporation	
		April 2017	Senior Vice President and General Manager, Business Investment Management Department of Mitsubishi Corporation	
		January 2018	Executive Vice President, Corporate Functional Officer, Regional Strategy for Japan, General Manager of Kansai Branch of Mitsubishi Corporation	Number of Hitachi Capital Corporation's shares Owned
		June 2018	Representative Director, Executive Vice President of Mitsubishi Corporation	0
		April 2019	Director, Executive Vice President and Group CEO, Urban Development Group of Mitsubishi Corporation	
June 2019	Executive Vice President and Group CEO, Urban Development Group of Mitsubishi Corporation (incumbent) Director of Mitsubishi UFJ Lease & Finance Company Limited (incumbent)			
(Important Status in Other Companies) Executive Vice President and Group CEO, Urban Development Group of Mitsubishi Corporation				
Reasons for proposing the candidate as Director Mr. Mitsumasa Ichio has a wealth of management experience at a major Japanese general trading company in Japan as well as deep insight in the financial business. Since assuming office as a Director of the Company in 2019, he has contributed to appropriate decision making and supervision of overall management by the Board of Directors from a practical perspective. At the New Integrated Company as well, we expect him to continuously contribute to appropriate decision making and supervision of overall management by the Board of Directors as an Outside Director. We are therefore reappointing him as a candidate for Director.				
Attendance at Board of Directors meetings (FY2020): 8 out of 8 times (100%)				
Term of office as an Outside Director: 1 year 8 months				

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies		Number of Company's Shares Owned
10	<div></div> <div>New appointment</div> <div>Outside Director</div> <div>Independent Director</div> <div>Yuri Sasaki (May 26, 1967)</div>	April 1995	Assistant of Hitotsubashi University (Faculty of Commerce and Management)	0
		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	Number of Hitachi Capital Corporation's shares Owned
		April 2006	Visiting Scholar of University of Washington	
		April 2007	Professor of Faculty of Economics, Meiji Gakuin University (incumbent)	100
		June 2014	Director of JBA TIBOR Administration (incumbent)	
		November 2015	Visiting Scholar of University of Washington	
		June 2018	Director of Hitachi Capital Corporation (incumbent)	
		April 2020	Dean of Faculty of Economics, Meiji Gakuin University (incumbent)	
		(Important Status in Other Companies) Professor of Faculty of Economics, Meiji Gakuin University Dean of Faculty of Economics, Meiji Gakuin University Director of JBA TIBOR Administration		
Reasons for proposing the new candidate as Director Ms. Yuri Sasaki has outstanding knowledge and a wealth of experience as an international finance researcher, as well as academic knowledge as a university professor. We expect her to reflect her wealth of experience in management supervision gained at Hitachi Capital Corporation in the management of the New Integrated Company. Furthermore, we expect her to contribute to appropriate decision making and supervision of overall management by the Board of Directors as an Outside Director from an objective perspective independent of executive management responsible for executing business. We are therefore appointing her as a new candidate for Director.				

(Notes)

1. There are no special interests between each candidate and the Company.
2. If each of candidates Messrs. Hiroyasu Nakata and Mitsumasa Icho and Ms. Yuri Sasaki is elected, the Company intends, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, to enter into an agreement with each candidate to limit his/her liability for damages, to the extent of the minimum amount of liability provided for under laws and regulations, if the requirements provided for under laws and regulations are met with respect to the liability for damages under Article 423, Paragraph 1 of the Companies Act (Liability Limitation Agreement). The agreement with each candidate shall be executed, subject to the resolution for the approval of the first and second items of business, as originally proposed, and the Merger and the amendments to the Articles of Incorporation having taken effect.
3. The Company will register candidates Mr. Hiroyasu Nakata and Ms. Yuri Sasaki with the Tokyo Stock Exchange and the Nagoya Stock Exchange as independent officers.
4. Candidates Mr. Hiroyasu Nakata and Ms. Yuri Sasaki have not been involved in corporate management in any way other than by assuming office as Outside Director or Outside Statutory Auditor; however, we believe that they will be able to properly perform their duties as Outside Directors for the reasons stated in “Reasons for proposing the new candidate as Director.”



**Fourth Item of Business**      Election of 5 (Five) Directors who are Audit and Supervisory Committee Members

The shareholders are hereby requested to newly elect 5 (five) Directors who are Audit and Supervisory Committee members in connection with the Merger and the Company's transition into a company with an audit and supervisory committee, as scheduled on April 1, 2021, subject to the approval of the first item of business, "Approval of the Merger Agreement between the Company and Hitachi Capital Corporation," as well as the second item of business, "Partial Amendments to the Articles of Incorporation."


The Company has already obtained approval from the Board of Statutory Auditors with respect to the proposal of this item of business.


The appointment of candidates for Directors who are Audit and Supervisory Committee members shall take effect on the effective date of the Merger and the amendments to the Articles of Incorporation (tentatively, on April 1, 2021), subject to the resolution for approval of the first and second items of business, as originally proposed, and their having taken effect accordingly.


The candidates for Directors who are Audit and Supervisory Committee members are as follows:

Number	Candidate's Name (Date of Birth)	Career Summary, Position and Representative Status in Other Companies		Number of Company's Shares Owned
1	 <u>New appointment</u> Seiichiro Kishino (March 1, 1956)	April 1978	Joined Hitachi, Ltd.	0
		June 2000	Co-Director of Finance Dept., Power & Industrial Systems Group of Hitachi, Ltd.	
		June 2004	Director of Finance & Accounting Controls Dept., Information & Telecommunication Systems Company, Financial Information System Division of Hitachi, Ltd.	Number of Hitachi Capital Corporation's shares Owned
		April 2007	General Manager of Financial Planning & Treasury Dep., Finance Group of Hitachi, Ltd.	
		April 2010	Corporate Officer and General Manager of Financial Planning & Treasury Dep., Finance Group of Hitachi, Ltd.	
		April 2013	Senior Vice President and Executive Officer, Head of Financial Solution Business Division, and Head of Corporate Strategy Division of Hitachi Capital Corporation (Hitachi Capital)	
		April 2014	Senior Vice President and Executive Officer, Chief Service Officer, CSR Officer, and Head of Strategic Management Division of Hitachi Capital	
		April 2015	Senior Vice President and Executive Officer, Chief Service Officer, Chief Information Officer, CSR Officer, Head of Strategic Management Division, and Head of Smart Transformation Division of Hitachi Capital	13,600
		April 2016	Representative Executive Officer, Executive Vice President and Executive Officer, and Head of Management Bases Initiatives Group of Hitachi Capital	
		April 2020	Representative Executive Officer, Executive Vice President and Executive Officer, Chief Information Officer, and Chief Information Security Officer of Hitachi Capital (incumbent)	
Reasons for proposing the new candidate as Director who is an Audit and Supervisory Committee member Mr. Seiichiro Kishino gained a wealth of experience at a major Japanese manufacturer and has served as Representative Executive Officer, Executive Vice President and Executive Officer of Hitachi Capital Corporation since 2016, so he has deep knowledge of management foundations and digitalization and a wealth of management experience based on his experience in leading the overall management of the company as it expands globally. At the New Integrated Company, we expect him to contribute to ensuring sound management of the Company as a Director who is an Audit and Supervisory Committee member. We are therefore appointing him as a new candidate for Director (Audit and Supervisory Committee member).				

Number	Candidate's Name (Date of Birth)	Career Summary, Position and Representative Status in Other Companies	Number of Company's Shares Owned
2	 <p><u>New appointment</u> Shuji Miake (April 27, 1961)</p>	<p>April 1984      Joined The Tokai Bank, Ltd.</p> <p>March 2006    General Manager, Nerima Branch of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU)</p> <p>June 2008      Deputy General Manager, Corporate Banking Business Promotion Division of BTMU (Special Appointment)</p> <p>January 2010   General Manager, Yaesu-dori Commercial Banking Office of BTMU</p> <p>May 2012       Superintendent of BTMU</p> <p>June 2012      Deputy General Manager, Business Promotion Department of Mitsubishi UFJ Lease &amp; Finance Company Limited (the Company)</p> <p>June 2012      General Manager, Nagoya Business Department No. 1 of the Company</p> <p>July 2012       General Manager, Nagoya Business Department No. 1 of the Company</p> <p>June 2014      Executive Officer and General Manager, Nagoya Business Department No.1 of the Company</p> <p>May 2016       Managing Executive Officer and Head of Central Japan Business Company of the Company</p> <p>April 2017      Managing Executive Officer and Head of Central Japan Area Company of the Company</p> <p>June 2019      Audit &amp; Supervisory Board Member of the Company (incumbent)</p>	<p>3,400</p> <p>Number of Hitachi Capital Corporation's shares Owned</p> <p>0</p>
		<p>Reasons for proposing the new candidate as Director who is an Audit and Supervisory Committee member</p> <p>Mr. Shuji Miake has a wealth of experience at major Japanese financial institutions, and a wealth of experience and knowledge about finance and accounting, which he has cultivated while engaged in business management of the Company as it expands globally. Since assuming office as an Audit &amp; Supervisory Board Member of the Company in 2019, he has contributed to ensuring sound management of the Company. At the New Integrated Company as well, we expect him to continuously contribute to ensuring sound management of the Company as a Director who is an Audit and Supervisory Committee member. We are therefore appointing him as a candidate for Director (Audit and Supervisory Committee member).</p>	

Number	Candidate's Name (Date of Birth)	Career Summary, Position and Representative Status in Other Companies		Number of Company's Shares Owned
3	 <div>New appointment</div> <div>Outside Director</div> <div>Independent Director</div> Teruyuki Minoura (October 5, 1943)	April 1967	Joined Toyota Motor Co., Ltd.	0
		June 2003	Senior Managing Director, Member of the Board of Directors of TOYOTA MOTOR CORPORATION	
		June 2004	Executive Vice President of DAIHATSU MOTOR CO., LTD. (DAIHATSU)	Number of Hitachi Capital Corporation's shares Owned
		June 2005	President of DAIHATSU	
		June 2010	Chairman of Toyota Boshoku Corporation (Toyota Boshoku)	0
		June 2012	Senior Advisor to the Board of Toyota Boshoku	
		June 2013	Director of Mitsubishi UFJ Lease & Finance Company Limited (incumbent)	
Reasons for proposing the new candidate as Director who is an Audit and Supervisory Committee member Mr. Teruyuki Minoura has a wealth of management experience and deep insights gained at major Japanese manufacturers. Since assuming office as a Director of the Company in 2013, he has contributed to appropriate decision making and supervision of overall management by the Board of Directors as an Outside Director, from an objective perspective independent of executive management responsible for executing business. At the New Integrated Company, we expect him to contribute to ensuring sound management of the Company as a Director who is an Audit and Supervisory Committee member. We are therefore appointing him as a new candidate for Outside Director (Audit and Supervisory Committee member).				
Attendance at Board of Directors meetings (FY2020): 8 out of 8 times (100%)				
Term of office as an Outside Director: 7 years 8 months				

Number	Candidate's Name (Date of Birth)	Career Summary, Position and Representative Status in Other Companies	Number of Company's Shares Owned
4	 New appointment Outside Director Independent Director Koichiro Hiraiwa (January 2, 1950)	April 1974      Joined Bank of Japan May 1997      General Manager of Okayama Branch, Bank of Japan January 2002    General Manager of Kyoto Branch, Bank of Japan April 2004      Head of Business Planning Department, Financial Business Division of NTT DATA Corporation (NTT DATA) June 2005      Head of Financial Strategy Business Promoting Office, Financial Business Division of NTT DATA July 2008      Head of Financial Business Planning Office, Financial Business Planning and Administration Department of NTT DATA March 2009    President & Representative Director of the Kyoto Hotel, Ltd. March 2015    Outside Director of Allied Telesis Holdings K.K. March 2015    Representative Director of Apua Consulting Inc. June 2015      Director of Hitachi Capital Corporation (Hitachi Capital) (incumbent) December 2017   Representative Director of Dream Estate Tokyo Inc. (incumbent) June 2019      Chairman of the Board of Hitachi Capital (incumbent) (Important Status in Other Companies) Representative Director of Dream Estate Tokyo Inc.	0          Number of Hitachi Capital Corporation's shares Owned          1,400
		Reasons for proposing the new candidate as Director who is an Audit and Supervisory Committee member Mr. Koichiro Hiraiwa has a wealth of knowledge acquired through his experience at the Bank of Japan and major Japanese telecommunications companies, as well as through the management of a major hotel chain. Since assuming office as a Director of Hitachi Capital Corporation in 2015 (Chairman of the Board since June 2019), he has contributed to effective operation, appropriate decision making, and supervision of overall management by the Board of Directors of Hitachi Capital Corporation, from an objective perspective independent of executive management responsible for executing business. He also has a wealth of experience and achievements in committee audits as he has served as the Chairman of the Audit Committee of the company. At the New Integrated Company, we expect him to contribute to ensuring sound management of the Company as a Director who is an Audit and Supervisory Committee member. We are therefore appointing him as a new candidate for Outside Director (Audit and Supervisory Committee member).	

Number	Candidate's Name (Date of Birth)	Career Summary, Position and Representative Status in Other Companies		Number of Company's Shares Owned
5	<div></div> <div>New appointment</div> <div>Outside Director</div> <div>Independent Director</div> <div>Hiroko Kaneko (March 28, 1958)</div>	April 1980	Joined The Sapporo Television Broadcasting Co., Ltd.	0
		October 1989	Joined Ota Showa Audit Corporation (currently ERNST & YOUNG SHINNIHON LLC)	
		February 1993 May 2007	Registered as certified public accountant Partner of ERNST & YOUNG SHINNIHON (currently ERNST & YOUNG SHINNIHON LLC)	
		July 2010	Senior Partner of ERNST & YOUNG SHINNIHON LLC	Number of Hitachi Capital Corporation's shares Owned
		April 2018	Professor at Waseda Graduate School of Accountancy (incumbent)	
		June 2018	Audit & Supervisory Board Member of The Shoko Chukin Bank, Ltd. (incumbent)	0
		June 2019	Director of Kanagawa Chuo Kotsu Co., Ltd. (incumbent)	
		June 2020	Audit & Supervisory Board Member of Mitsubishi UFJ Lease & Finance Company Limited (incumbent)	
		(Important Status in Other Companies) Professor at Waseda Graduate School of Accountancy Audit & Supervisory Board Member of The Shoko Chukin Bank, Ltd. Director of Kanagawa Chuo Kotsu Co., Ltd.		
		Reasons for proposing the new candidate as Director who is an Audit and Supervisory Committee member Ms. Hiroko Kaneko has a wealth of experience at a major audit firm and as a university professor, as well as deep knowledge as an accounting expert. Since assuming office as an Audit & Supervisory Board Member of the Company in 2020, she has contributed to ensuring sound management of the Company by conducting audits from a neutral and objective perspective. At the New Integrated Company as well, we expect her to continuously contribute to ensuring sound management of the Company as a Director who is an Audit and Supervisory Committee member. We are therefore appointing her as a candidate for Outside Director (Audit and Supervisory Committee member).		
Attendance at Board of Directors meetings (FY2020): 6 out of 6 times (100%)				
Attendance at Audit & Supervisory Board meetings (FY2020): 8 out of 8 times (100%)				
The Board of Directors meetings were held 6 (six) times and Audit & Supervisory Board meetings were held 8 (eight) times after the Annual General Meeting of Shareholders in June 2020 when Ms. Hiroko Kaneko assumed office as Audit & Supervisory Board Member.				
Term of office as an Outside Audit & Supervisory Board Member: 8 months				

(Notes)

1. There are no special interests between each candidate and the Company.
2. If each of the candidates Messrs. Seiichiro Kishino, Shuji Miake, Teruyuki Minoura, and Koichiro Hiraiwa and Ms. Hiroko Kaneko is elected, the Company intends, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, to enter into an agreement with each candidate to limit his/her liability for damages, to the extent of the minimum amount of liability provided for under laws and regulations, if the requirements provided for under laws and regulations are met with respect to the liability for damages under Article 423, Paragraph 1 of the Companies Act (Liability Limitation Agreement). The agreement with each

candidate shall be executed, subject to the resolution for the approval of the first and second items of business, as originally proposed, and the Merger and the amendments to the Articles of Incorporation having taken effect.

3. The Company will register candidates Messrs. Teruyuki Minoura and Koichiro Hiraiwa and Ms. Hiroko Kaneko with the Tokyo Stock Exchange and the Nagoya Stock Exchange as independent officers.
4. Candidate Ms. Hiroko Kaneko has not been involved in corporate management in any way other than by assuming office as Outside Director or Outside Statutory Auditor; however, we believe that she will be able to properly perform her duties as an Outside Director (Audit and Supervisory Committee member) for the reasons stated in “Reasons for proposing the new candidate as Director who is an Audit and Supervisory Committee member.”

**Fifth Item of Business****Determination of the Amount of Compensation for Directors  
(Excluding Directors who are Audit and Supervisory  
Committee Members)**

The Company will transition into a company with an audit and supervisory committee following the Merger scheduled on April 1, 2021, subject to the approval of the first item of business, “Approval of the Merger Agreement between the Company and Hitachi Capital Corporation,” as well as the second item of business, “Partial Amendments to the Articles of Incorporation.”

The aggregate amount of compensation for Directors of the Company was approved at an amount not exceeding 480 million yen per year at the 38th Annual General Meeting of Shareholders held on June 26, 2009, which has remained effective to date. However, following the transition into a company with an audit and supervisory committee, the shareholders are hereby requested to allow the Company to discontinue the aforementioned arrangement and, pursuant to the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, to replace it with a new aggregate amount of compensation for Directors (excluding Directors who are Audit and Supervisory Committee members) at an amount not exceeding 800 million yen per year (annual aggregate amount of compensation for the period between April 1 of a given year to March 31 of the following year, including 100 million yen for Outside Directors), in consideration of the duties, responsibilities, and number of the Directors, as well as the economic environment. The aforementioned aggregate amount of compensation for Directors (excluding Directors who are Audit and Supervisory Committee members) shall not include the employee salary portion payable to Directors who are concurrently serving as employees.

The number of Directors (excluding Directors who are Audit and Supervisory Committee members) will be 10 (including three Outside Directors), subject to the resolution for approval of the third item of business, “Election of 10 (Ten) Directors (Excluding Directors who are Audit and Supervisory Committee Members),” as originally proposed.

The determination of the aforementioned new aggregate amount of compensation shall take effect, subject to the resolution for approval of the first and second items of business, as originally proposed, and the respective matters thereof having taken effect.



**Sixth Item of Business****Determination of the Amount of Compensation for Directors who are Audit and Supervisory Committee Members**

The Company will transition into a company with an audit and supervisory committee following the Merger scheduled on April 1, 2021, subject to the approval of the first item of business, “Approval of the Merger Agreement between the Company and Hitachi Capital Corporation,” as well as the second item of business, “Partial Amendments to the Articles of Incorporation.”

Accordingly, the shareholders are hereby requested to allow the Company, pursuant to the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, to establish the aggregate amount of compensation for Directors who are Audit and Supervisory Committee members at an amount not exceeding 200 million yen per year (annual aggregate amount of compensation for the period between April 1 of a given year to March 31 of the following year), in consideration of the duties, responsibilities, and number of the Directors, as well as the economic environment.

The number of Directors who are Audit and Supervisory Committee members will be five, subject to the resolution for approval of the fourth item of business, “Election of 5 (Five) Directors who are Audit and Supervisory Committee Members,” as originally proposed.

The determination of the aforementioned new aggregate amount of compensation shall take effect, subject to the resolution for approval of the first and second items of business as originally proposed, and the respective matters thereof having taken effect.

**Seventh Item of Business**      Determination of the Amount and Other Details of the Compensation for Directors (Excluding Directors who are Audit and Supervisory Committee Members) in the Form of Stock Compensation-type Stock Options

The Company will transition into a company with an audit and supervisory committee following the Merger scheduled on April 1, 2021, subject to the approval of the first item of business, “Approval of the Merger Agreement between the Company and Hitachi Capital Corporation,” as well as the second item of business, “Partial Amendments to the Articles of Incorporation.”

The aggregate amount of compensation for Directors of the Company in the form of stock compensation-type stock options was approved at an amount not exceeding 150 million yen per year at the 38th Annual General Meeting of Shareholders held on June 26, 2009, which has remained effective to date. However, following the transition into a company with an audit and supervisory committee, the shareholders are hereby requested to allow the Company to discontinue the aforementioned arrangement and, pursuant to the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, to replace it with a new aggregate amount of compensation in the form of stock compensation-type stock options for Directors who are not Audit and Supervisory Committee members (excluding Outside Directors and persons subject to tax outside Japan) at an amount not exceeding 150 million yen per year (annual aggregate amount of compensation for the period between April 1 of a given year to March 31 of the following year), in consideration of the duties, responsibilities, and number of the Directors, as well as the economic environment. The aforementioned aggregate amount of compensation for Directors (excluding Directors who are Audit and Supervisory Committee members) shall not include the employee salary portion payable to Directors who are concurrently serving as employees.

The number of Directors of the Company who are eligible under this System (excluding Outside Directors and Directors who are Audit and Supervisory Committee members) shall be seven, subject to the resolution for approval of the third item of business, “Election of 10 (Ten) Directors (Excluding Directors who are Audit and Supervisory Committee Members),” as originally proposed.

This System is outside of the framework established by the fifth item of business “Determination of the Amount of Compensation for Directors (Excluding Directors who are Audit and Supervisory Committee Members).”

The determination of the amount of the aforementioned stock compensation and other details shall take effect, subject to the resolution for approval of the first and second items of business as originally proposed, and the respective matters thereof having taken effect.

● Details of the compensation under this System

(1) Reason for the proposal of this System

This System is essentially the same as the one that was approved at the 38th Annual General Meeting of Shareholders held on June 26, 2009, and is intended to further enhance the incentive and morale to contribute to the improvement and enhancement of business performance and corporate value over the medium to long term by further strengthening the linkage between the compensation of Directors of the Company (excluding Outside Directors and Directors who are Audit and Supervisory Committee members) and the Company’s business performance as well as the stock value with the Directors of the Company (excluding Outside Directors and Directors who are Audit and Supervisory Committee members) sharing with the shareholders the benefits of an increase in the share price as well as the risks of a decline in the

share price. Accordingly, this System is considered to be appropriate and reasonable.

(2) Technical details of stock acquisition rights as stock options

1) Class and number of shares to be delivered upon the exercise of the stock acquisition rights

The class of shares to be delivered upon the exercise of the stock acquisition rights shall be shares of common stock of the Company, while the number of shares to be delivered upon the exercise of each stock acquisition right (the “number of shares delivered”) shall be 100 shares. However, in the event that the Company conducts, following the date of resolution for this item of business (the “date of resolution”), a share split (including a gratis allotment of shares of its common stock; hereinafter the same with respect to share split) or share consolidation for the shares of its common stock, the number of shares delivered shall be adjusted using the following formula.

Number of shares delivered after the adjustment =

(Number of shares delivered before the adjustment) × (ratio of share split or share consolidation)

Apart from the above, if the Company finds it necessary to make adjustments to the number of shares delivered in the event of merger, company split, or share exchange conducted by the Company, or due to circumstances equivalent thereto, after the date of resolution, it shall be entitled to make such adjustments as deemed necessary by its Board of Directors.

1 million shares of common stock of the Company shall be the limit on the number of shares to be delivered upon the exercise of share acquisition rights issued within 12 months from the date of the Annual General Meeting of Shareholders of the Company for each fiscal year, while such limit shall, in the event of adjustments to the number of shares delivered, be the number of shares calculated by multiplying the number of shares delivered after the adjustment by the total number of share acquisition rights, as described below.

2) Total number of share acquisition rights

10 thousand units of share acquisition rights shall be the limit on the number of share acquisition rights to be issued within 12 months from the date of the Annual General Meeting of Shareholders of the Company for each fiscal year.

3) Amount to be paid in for a share acquisition right (issue price)

The amount to be paid in for one unit of share acquisition right (issue price) shall be an amount determined by the Board of Directors of the Company, based on the fair value of a share acquisition right, as calculated at the time of the allotment thereof.

Meanwhile, a recipient of such allotment shall be granted an amount of compensation equal to the aforementioned amount to be paid in for his/her share acquisition right, whereby the recipient shall wholly offset the payment obligations for the share acquisition rights with the foregoing compensation credit instead of making any payment in cash.

4) Value of assets to be contributed upon exercise of the share acquisition rights

The value of the assets to be contributed upon exercise of each share acquisition right shall be an amount calculated by multiplying the number of shares delivered, by the exercise price at 1 yen per share to be delivered upon exercise of each share

acquisition right.

- 5) Period of time during which the share acquisition right may be exercised  
The share acquisition rights may be exercised during a period set forth by the Board of Directors of the Company, which is not to exceed 30 years, counting from the day following the date of allotment of the said share acquisition rights.
- 6) Restriction on the acquisition of share acquisition rights by transfer  
The acquisition of share acquisition rights by transfer shall require approval by resolution at the Board of Directors of the Company.
- 7) Condition for exercising share acquisition rights  
A share acquisition right holder shall become entitled to exercise his/her share acquisition rights from the first anniversary of the day following the date on which he/she lost all of his/her executive position(s) as a Director or Executive Officer, etc. of the Company within the period of time set forth under the above item 5), or otherwise subject to the decision by a meeting of the Board of Directors of the Company held specifically for determining matters concerning the subscription for the share acquisition rights.
- 8) Outline of the conditions for acquiring share acquisition rights  
The Company shall be entitled to acquire the share acquisition rights without contribution on a date separately decided by the Board of Directors of the Company, subject to approval by a resolution at the General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors of the Company, in cases where a resolution of the General Meeting of Shareholders is not required) on any of the following items of business, i, ii, iii, iv, or v.
  - i. Proposal for the approval of a merger agreement in which the Company is to be the company disappearing in an absorption-type merger
  - ii. Proposal for the approval of a company split agreement or a plan for a company split in which the Company is to be the split company
  - iii. Proposal for the approval of a share exchange agreement or a plan for share transfer in which the Company is to become a wholly-owned subsidiary
  - iv. Proposal for the approval of amendments to the Articles of Incorporation of the Company for creating a provision whereby the acquisition by transfer of any and all shares issued by the Company requires the Company's consent
  - v. Proposal for the approval of amendments to the Articles of Incorporation of the Company for creating a provision which sets forth the following conditions for the class shares to be delivered upon the exercise of share acquisitions rights: (i) the acquisition by transfer of the class of shares requires the Company's consent, or (ii) the Company may acquire all shares of such class by a resolution of its General Meeting of Shareholders
- 9) Other details of the share acquisition rights, etc.  
Such details shall be determined at a meeting of the Board of Directors of the Company held specifically for determining matters concerning the subscription for the share acquisition rights.

**Eighth Item of Business**      Determination of the Amount and Other Details of the Non-monetary Compensation (Provision of Company Housing) for Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The Company will transition into a company with an audit and supervisory committee following the Merger scheduled on April 1, 2021, subject to the approval of the first item of business, “Approval of the Merger Agreement between the Company and Hitachi Capital Corporation,” as well as the second item of business “Partial Amendments to the Articles of Incorporation.”

The Company provides adequate residence as company housing to Directors (excluding Outside Directors) who are required to live in an area away from their home, due to a change in assignment or transfer necessitating a change of residence (hereinafter, the difference between the total monthly rent payable by the Company for leasing such housing and the total monthly housing fees collected from the Directors shall be defined as “non-monetary compensation pertaining to the provision of company housing”).

The aggregate amount of non-monetary compensation pertaining to the provision of company housing was approved at 2 million yen or less per month, at the 36th Annual General Meeting of Shareholders held on June 28, 2007, which has remained effective to date. Following the transition into a company with an audit and supervisory committee, the shareholders are hereby requested to allow the Company to discontinue the aforementioned arrangement and, pursuant to the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, to replace it with a new aggregate amount of non-monetary compensation pertaining to the provision of company housing for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee members), at an amount not exceeding 2 million yen per month. The aforementioned aggregate amount of compensation for Directors (excluding Directors who are Audit and Supervisory Committee members) shall not include the employee salary portion payable to Directors who are concurrently serving as employees.

The number of Directors of the Company who are eligible for this compensation (excluding Outside Directors and Directors who are Audit and Supervisory Committee members) shall be seven, subject to the resolution for approval of the third item of business, “Election of 10 (Ten) Directors (Excluding Directors who are Audit and Supervisory Committee Members),” as originally proposed.

This arrangement is essentially the same as the existing one, which is intended to facilitate the prompt and smooth execution of business by Directors, while the company housing provided thereunder is within the range that is generally and socially accepted as standard. Hence, this arrangement is considered to be appropriate and reasonable.

This arrangement is outside of the framework established by the fifth item of business, “Determination of the Amount of Compensation for Directors (Excluding Directors who are Audit and Supervisory Committee Members),” and by the seventh item of business, “Determination of the Amount and Other Details of the Compensation for Directors (Excluding Directors who are Audit and Supervisory Committee Members) in the Form of Stock Compensation-type Stock Options.”

The determination of the amount of the aforementioned compensation and other details shall take effect, subject to the resolution for approval of the first and second items of business as originally proposed, and the respective matters thereof having taken effect.

<Reference>

● The Company's Selection Standards for Directors

1. Directors should be mentally and physically sound enough to execute business.
2. Directors should be persons who are well respected, possess excellent integrity and hold themselves to high ethical standards.
3. Directors should have a law-abiding spirit.
4. Directors should have the ability to make objective judgments regarding management and have excellent insight and perspicacity.
5. In addition to 1. to 4. above, Outside Directors should (i) have experience, achievements and knowledge in their fields of specialty, and (ii) be able to contribute to the implementation of appropriate decision making and management supervision of the Board of Directors.

● Independence Standards for Outside Directors

The Company shall judge the independence based upon the requirements for independent directors set forth by the financial instruments exchanges of Japan, such as the Tokyo Stock Exchange, 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), and consideration as to whether the individual is objectively and substantially independent:

- (1) A major shareholder (a shareholder holding 10% or more of the total voting rights) of the Company or an Executive (Note 1) thereof;
- (2) An Executive of a lender of the Company (Note 2) that exceeds the Company's standard;
- (3) An Executive of a business partner of the Company (Note 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 (Note 4).

Note 1 An Executive refers to an Executive Director, Executive Officer, or other employees.

Note 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.

Note 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;

Note 4 Donations exceeding a certain amount refers to a donation exceeding 10 million yen per fiscal year.

Even if the candidate falls under any of the above (1) through (6), if said candidate is judged to be substantially independent and is registered 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.