

***[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

June 10, 2022

**NOTICE OF CONVOCATION OF  
THE 51st ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Notice is hereby given that the 51st Annual General Meeting of Shareholders (the “Meeting”) of Mitsubishi HC Capital Inc. (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 HC Capital Inc.  
Takahiro Yanai  
Representative Director, President & CEO  
5-1, Marunouchi 1-chome,  
Chiyoda-ku, Tokyo

## PARTICULARS

1. Date and Time of the Meeting: Tuesday, June 28, 2022, 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
3. Matters to be dealt with at the Meeting:

### Matters for Reporting:

1. The Details of Business Report for the 51st Fiscal Year (from April 1, 2021 to March 31, 2022) and the Consolidated Financial Statements, and Results of the Audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee.
2. The Details of the Financial Statements for the 51st Fiscal Year (from April 1, 2021 to March 31, 2022).

### Matters for Resolution:

First Item of Business	Partial Amendments to the Articles of Incorporation
Second Item of Business	Election of 10 (Ten) Directors (Excluding Directors who are Audit and Supervisory Committee Members)
Third Item of Business	Election of 4 (Four) 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 following items are not included in the attached documents for this notice of convocation of the Meeting, as they are disclosed on the Company's website (<https://www.mitsubishi-hc-capital.com/>), pursuant to laws and regulations, and the provisions of Article 15 of the Articles of Incorporation of the Company. The Consolidated Financial Statements and the Financial Statements audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing the Audit Reports and Accounting Audit Reports comprise the documents included in the attached documents, and items (5) through (8) below, which are disclosed on our website.
- (1) Matters concerning stock acquisition rights, (2) Matters concerning the Accounting Auditor, (3) Overview of resolutions of the Board of Directors concerning the development of the system for ensuring appropriate business operation, (4) Overview of the operating status of the system for ensuring appropriate business operation, (5) Consolidated statement of changes in equity, (6) Notes on consolidated financial statements, (7) Non-consolidated statement of changes in equity, and (8) Notes on non-consolidated financial statements
- (Note) (2) is presented in the section titled "Status of the accounting auditor." (3) and (4) are presented in the same section, titled "System for ensuring appropriate business operation and overview of its operating status."
- ◎ If any matters included in the attached documents and Reference Materials Concerning the General Meeting of Shareholders are to be modified, we will post the revised matters on our website (<https://www.mitsubishi-hc-capital.com/>).

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

- ◎ 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 and carefully consider attending the 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 because of the limited number of seats available, 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 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.mitsubishi-hc-capital.com/>

## 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 ▶▶▶ Monday, June 27, 2022, 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 ▶▶▶ Monday, June 27, 2022, 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

If you are attending the meeting in person, please read the instructions on the previous page and submit the enclosed voting right exercise form to the receptionist at the Meeting.

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.

**Date and time of the Meeting ▶▶▶ Tuesday, June 28, 2022, 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.mufig.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 by scanning the QR Code, please re-scan 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)

### About Live Streaming for the Meeting and Prior Questions

The General Meeting of Shareholders will be broadcasted live to shareholders via Internet so that you can see it from anywhere.

In addition, in order to receive a number of opinions by shareholders, we are accepting prior questions regarding the objectives of this meeting via the Internet.

Please note that only Japanese is available for these.

For details, refer to the Notice of Convocation in Japanese.

[TRANSLATION]

REFERENCE MATERIALS CONCERNING  
THE GENERAL MEETING OF SHAREHOLDERS

Items of Business and Reference Matters

**First Item of Business** Partial Amendments to the Articles of Incorporation

**1. Reasons for the Proposal**

The amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) will be enforced on September 1, 2022. In line with this amendment, a system for electronic provision of materials for general meetings of shareholders will be introduced; accordingly, the Company kindly requests partial amendments to the Articles of Incorporation as follows:

- (1) Paragraph 1, Article 15 of the proposed amendments shall be newly established as the Company will be obliged to stipulate in its Articles of Incorporation that it takes measures for electronic provision of information included in the reference materials for general meetings of shareholders, etc.;
- (2) Paragraph 2, Article 15 of the proposed amendments shall be newly established, so that, among the matters for which measures will be taken for electronic provision of information included in the reference materials for general meetings of shareholders, etc., the scope of matters to be described in the hardcopies of documents to be sent to shareholders who have requested them, will be limited to the scope stipulated under the Ordinance of the Ministry of Justice;
- (3) Upon the introduction of the system for electronic provision of materials for general meetings of shareholders, the provision of Article 15 of the current Articles of Incorporation will become unnecessary and will therefore be deleted; and
- (4) Supplementary provisions related to the effectiveness of the above provisions to be newly established or deleted shall be established. The supplementary provisions shall be deleted on the day on which six (6) months have elapsed from September 1, 2022 or the day on which three (3) months have elapsed from the day of the general meeting of shareholders held within six (6) months from September 1, 2022, whichever is later.

**2. Details of the Proposed Amendments**

The proposed amendments shall be as follows.

Current Articles of Incorporation	Proposed Amendments
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,	[Deleted]

Current Articles of Incorporation	Proposed Amendments
business reports, financial statements, and consolidated financial statements by disclosing such information via the internet in accordance with the Ordinance of the Ministry of Justice.	
[Newly established]	<p>Article 15 (Measures for Electronic Provision, Etc.)</p> <p>1. The Company shall, when convening a general meeting of shareholders, take measures for electronic provision of information included in reference documents for general meetings of shareholders, etc.</p> <p>2. Among the matters for which measures for electronic provision are to be taken, the Company shall not be required to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the hardcopies of documents to be sent to shareholders who have requested them by the record date for voting rights.</p>
[Newly established]	<p>Supplementary Provisions</p> <p>Article 2 (Transitional Measures concerning Measures for Electronic Provision of Reference Documents for General Meetings of Shareholders, Etc.)</p> <p>1. The deletion of Article 15 (Disclosure via Internet and Deemed Provision of Reference Materials for General Meeting of Shareholders, Etc.) of the current Articles of Incorporation (“Article 15 of the Pre-amendment Articles of Incorporation”) and the new establishment of Article 15 (Measures for Electronic Provision, Etc.) of the proposed amendments shall become effective on the enforcement date of the amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) “Enforcement Date”).</p> <p>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the Pre-amendment Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six (6) months from the Enforcement Date.</p>

Current Articles of Incorporation	Proposed Amendments
	<p>3. Article 2 of the Supplementary Provisions hereof is to be deleted on the day on which six (6) months have elapsed from the Enforcement Date or the day on which three (3) months have elapsed from the day of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</p> <p>4. The provisions of Article 15 of the Pre-amendment Articles of Incorporation are as set forth below:  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 Ordinance of the Ministry of Justice.</p>



**(Reference) List of Candidates for the Second and Third Items of Business**

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

**Second 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	Areas of Expertise (Note)				
				Management	Finance	Accounting	Law	Global
1	Reappointment	Mr. Seiji Kawabe	Representative Director, Chairman	●	●			
2	Reappointment	Mr. Takahiro Yanai	Representative Director, President & CEO	●	●			
3	Reappointment	Mr. Kanji Nishiura	Representative Director, Deputy President overall operation	●				●
4	Reappointment	Mr. Kazumi Anei	Director, Deputy President Customer Solutions Unit	●				
5	New appointment	Mr. Taiju Hisai	Deputy President overall Corporate Center Global Business Unit	●	●			●
6	Reappointment	Mr. Haruhiko Sato	Director, Managing Executive Officer Head of Corporate & Strategic Planning Division Co-head of Treasury & Accounting Division			●		●
7	Reappointment	Mr. Hiroyasu Nakata	Outside Director Independent Director				●	
8	Reappointment	Ms. Yuri Sasaki	Outside Director Independent Director		●			
9	Reappointment	Mr. Go Watanabe	Outside Director	●	●			●
10	New appointment	Mr. Takuya Kuga	Outside Director	●				●

### Third Item of Business

### Election of 4 (Four) Directors who are Audit and Supervisory Committee Members

Number		Candidate's Name	Current Position and Responsibility at the Company	Areas of Expertise (Note)				
				Management	Finance	Accounting	Law	Global
1	New appointment	Mr. Akira Hamamoto	Senior Managing Executive Officer In charge of Internal Audit Department	●	●		●	
2	Reappointment	Mr. Koichiro Hiraiwa	Outside Director Independent Director	●	●			
3	Reappointment	Ms. Hiroko Kaneko	Outside Director Independent Director			●		
4	New appointment	Mr. Masayuki Saito	Outside Director Independent Director	●		●		●

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

(Note) The areas of expertise are as follows. Management: Overall management; Finance: Finance; Accounting: Financial accounting; Law: Legal affairs, compliance, and risk management; Global: Global business

**Second Item of Business**

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

The terms of office of all 10 (ten) Directors (excluding Directors who are Audit and Supervisory Committee members) will expire at the close of this Meeting. Accordingly, you are hereby requested to newly elect 10 (ten) Directors.

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>Reappointment</div> Seiji Kawabe (September 3, 1955)	April 1980 August 2000 October 2000 April 2002 April 2003 September 2007 April 2008 April 2009 April 2012 April 2014 April 2015 April 2016 June 2016 June 2019 April 2021	Joined Hitachi Leasing Corp. (currently the Company) General Manager of Sales Dept. II, Kansai Branch Office of Hitachi Leasing Corp. General Manager of Sales Dept. II, Kansai Corporate Sales Branch I, Kansai Sales Division of Hitachi Capital Corporation (Hitachi Capital) Head of Kansai Corporate Sales Branch and General Manager of Sales Dept. II, Kansai Sales Division of Hitachi Capital Head of Sales Division I of Hitachi Capital Co-head of Corporate Sales & Marketing Division and Co-head of Tokyo Sales Division II of Hitachi Capital Vice President, Executive Officer, and Co-head of the Corporate Sales & Marketing Division of Hitachi Capital Vice President, Executive Officer, and Head of the Corporate Sales & Marketing Division of Hitachi Capital Senior Vice President and Executive Officer, in charge of Corporate Business, Hitachi Group Business and Financial Services Business of Hitachi Capital Senior Vice President, Executive Officer, and Chief Marketing Officer of Hitachi Capital 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 Representative Executive Officer, President and Chief Executive Officer of Hitachi Capital Director, Representative Executive Officer, President, Chief Executive Officer of Hitachi Capital Audit & Supervisory Board Member of Credit Information Center Corp. (CIC) (incumbent) Representative Director, Chairman of the Company (incumbent)	125,000

	<p>Reasons for proposing the candidate as Director</p> <p>Mr. Seiji Kawabe had served as the Representative Executive Officer, President and Chief Executive Officer of Hitachi Capital Corporation since 2016, and has chaired the Board of Directors as Representative Director and Chairman of the Company since 2021. He has a wealth of knowledge and experience in managing the operation of the Company as it expands globally. We have deemed him to be the best candidate to take responsibility for supervising business and to aim for further improvement of the soundness of the management of Company and enhancement of corporate value over the medium to long term as the Representative Director and Chairman. We are therefore reappointing him as a 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
2	<div>Reappointment</div> Takahiro Yanai (May 4, 1958)	April 1982      Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.) May 2012      Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ Ltd. (BTMU) Managing Officer of Mitsubishi UFJ Financial Group, Inc. (MUFG) June 2015      Managing Director of BTMU Managing Executive Officer of MUFG May 2016      Senior Managing Executive Officer of BTMU June 2017      President & CEO of Mitsubishi UFJ Lease & Finance Company Limited (currently the Company) Concurrently served as Executive Officer of Mitsubishi UFJ Lease & Finance Company Limited April 2021      Representative Director, President & CEO of the Company (incumbent) Concurrently serves as Executive Officer of the Company (incumbent)	17,900
Reasons for proposing the candidate as Director Since 2017, Mr. Takahiro Yanai had served as the President & CEO of Mitsubishi UFJ Lease & Finance Company Limited 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. We have deemed him to be the best candidate to take command of business as the Representative Director, President & CEO and to aim for the Company's 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>Reappointment</div> <div>Kanji Nishiura (February 11, 1958)</div>	<div>April 1980 January 2003 April 2009 April 2010 April 2011 April 2013 April 2015 April 2016 April 2018 June 2018 April 2019 April 2020 June 2020 April 2021</div> <div> <p>Joined Mitsubishi Corporation</p> <p>Seconded to Metal One Corporation</p> <p>General Manager, Metals Group CEO Office of Mitsubishi Corporation</p> <p>Senior Vice President and General Manager, Metals Group CEO Office of Mitsubishi Corporation</p> <p>Senior Vice President and Division COO, Non-Ferrous Metals Division of Mitsubishi Corporation</p> <p>Senior Vice President, Division COO, Mineral Resources Investment Div., and General Manager, MDP Department of Mitsubishi Corporation</p> <p>Executive Vice President and Group COO, Metals Group of Mitsubishi Corporation</p> <p>Executive Vice President and Group CEO, Metals Group of Mitsubishi Corporation</p> <p>Executive Vice President, Corporate Functional Officer, Global Strategy &amp; Coordination, Global Research, International Economic Cooperation, Logistics Management, (Concurrently) Regional CEO, Asia &amp; Oceania of Mitsubishi Corporation</p> <p>Member of the Board, Executive Vice President, Corporate Functional Officer, Global Strategy &amp; Coordination, Global Research, International Economic Cooperation, Logistics Management, (Concurrently) Regional CEO, Asia &amp; Oceania of Mitsubishi Corporation</p> <p>Member of the Board, Executive Vice President, Corporate Functional Officer, Global Strategy of Mitsubishi Corporation</p> <p>Member of the Board of Mitsubishi Corporation</p> <p>Corporate Advisor of Mitsubishi Corporation</p> <p>Representative Director, Deputy President of the Company (incumbent)</p> <p>Concurrently serves as Executive Officer of the Company (incumbent)</p> </div>	1,800
<p>Reasons for proposing the candidate as Director</p> <p>Since 2021, Mr. Kanji Nishiura has served as the Representative Director, Deputy President and Executive Officer of the Company. With his wealth of management experience at a major Japanese general trading company, he has managed the overall operations to assist the President. He has sufficient experience and 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, and are therefore reappointing him as a candidate for Director.</p>			

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> Kazumi Anei (September 18, 1960)	<p>April 1985      Joined Hitachi Leasing Corp. (currently the Company)</p> <p>April 2003      General Manager of Sales Dept. II, Kansai Corporate Sales Branch, Kansai Sales Division of Hitachi Capital Corporation (Hitachi Capital)</p> <p>April 2005      Head of Kansai Corporate Sales Branch, Kansai Sales Division of Hitachi Capital</p> <p>April 2010      Head of Kanagawa Sales Division of Hitachi Capital</p> <p>April 2011      Head of Tokyo Sales Division III, Corporate Business Division of Hitachi Capital</p> <p>October 2011    Co-Head of Corporate Business Division of Hitachi Capital</p> <p>April 2014      Corporate Officer, Head of Corporate Business Division and Co-Head of Account Sales Promotion Division of Hitachi Capital</p> <p>April 2015      Corporate Officer and Head of Corporate Business Division, Corporate Sales &amp; Marketing Group of Hitachi Capital</p> <p>April 2016      Executive Officer, Head of Corporate Business Division, Corporate Sales &amp; Marketing Group, and Head of Service Business Division of Hitachi Capital</p> <p>April 2017      Executive Officer, Corporate Sales &amp; Marketing Group, in charge of Japan, and Head of Customer E&amp;E Business Division of Hitachi Capital</p> <p>April 2018      Vice President and Executive Officer, Co-Head of Corporate Sales &amp; Marketing Group, in charge of Japan, and Head of Environment and Energy Business, Corporate Business Division, Customer E&amp;E Business Division of Hitachi Capital</p> <p>April 2019      Vice President and Executive Officer, Co-Head of Corporate Sales &amp; Marketing Group, and Chief Executive for Japan, Corporate Sales &amp; Marketing Group of Hitachi Capital</p> <p>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</p> <p>April 2021      Director, Senior Managing Executive Officer of the Company</p>	44,600
		<p>May 2021      Director, Deputy President of the Company (incumbent)</p> <p>Concurrently serves as Executive Officer of the Company (incumbent)</p>	

	<p>Reasons for proposing the candidate as Director</p> <p>Mr. Kazumi Anei had served as an Executive Officer and the Chief Marketing Officer of Hitachi Capital Corporation since 2016 and 2020, respectively, and since 2021, he has led the overall business of the Company as the Director, Deputy President, and an Executive Officer of the Company. He has sufficient experience and 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, and are therefore reappointing him as a 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
5	<div>New appointment</div> <div>Taiju Hisai (April 27, 1962)</div>	<p>April 1985      Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>July 2011      General Manager, CIB Division for the Americas, Headquarters for the Americas of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU)</p> <p>July 2012      General Manager, Corporate Banking Division for Europe, Middle East and Africa, European Headquarters of BTMU</p> <p>June 2014      Executive Officer, General Manager, Corporate Banking Division for Europe, Middle East and Africa, European Headquarters of BTMU</p> <p>September 2014      Executive Officer, Regional Executive for India</p> <p>Concurrently served as Deputy General Manager, Corporate Banking Division for Asia and Oceania, Asia and Oceania Headquarters of BTMU (Special appointment)</p> <p>May 2016      Managing Executive Officer in charge of Corporate Banking Credit Division, Credit Division and Investment Banking Division of BTMU</p> <p>April 2018      Managing Executive Officer and General Manager, Corporate Banking Group No. 1 of MUFG Bank, Ltd. (MUFG Bank)</p> <p>April 2019      Senior Managing Executive Officer and General Manager, Corporate Banking Group No. 1 of MUFG Bank</p> <p>June 2021      Deputy President of the Company (incumbent)</p> <p>Concurrently serves as Executive Officer of the Company (incumbent)</p>	1,600
<p>Reasons for proposing the candidate as Director</p> <p>Since 2021, Mr. Taiju Hisai has served as the Deputy President and an Executive Officer of the Company and has led the overall business of the Company based on a wealth of management experience at a major Japanese financial institution. He has sufficient experience and 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, and are therefore appointing him as a new candidate for Director.</p>			

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies	Number of Company's Shares Owned
6	<div>Reappointment</div> <div>Haruhiko Sato (June 19, 1965)</div>	<div>April 1989      Joined Mitsubishi Corporation</div> <div>November 2002      Mitsubishi International GmbH</div> <div>January 2007      Moscow Office of Mitsubishi Corporation</div> <div>April 2009      Treasurer Office of Mitsubishi Corporation</div> <div>March 2014      Senior Vice President, Corporate Staff Section and CFO of Mitsubishi Corporation (Americas)</div> <div>April 2019      General Manager, Power Solution Administration Department of Mitsubishi Corporation</div> <div>April 2021      Director, Managing Executive Officer of the Company (incumbent)</div>	0
	<div>Reasons for proposing the candidate as Director</div> <div>Mr. Haruhiko Sato has a wealth of experience at a major Japanese general trading company, as well as experience and knowledge in the corporate division, which he has cultivated while engaged in the business management of the Company as it expands globally. We expect him to utilize this background and 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.</div>		

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>Reappointment</div> <div>Outside Director</div> <div>Independent Director</div> 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 June 2017 Emeritus Professor of The University of Tokyo June 2018 Audit & Supervisory Board Member of Mitsubishi UFJ Lease & Finance Company Limited (currently the Company) April 2021 Director of the Company (incumbent) (Important Status in Other Companies) —	0
Reasons for proposing the candidate as Director and roles expected of the candidate Mr. Hiroyasu Nakata has deep knowledge as a legal expert. He had contributed to appropriate decision making and supervision of overall management by the Board of Directors as an independent Outside Director. We are therefore reappointing him as a candidate for Director. We expect him to use his knowledge to contribute to appropriate decision making and supervision of overall management by the Board of Directors as an independent Outside Director from an objective perspective independent of executive management responsible for executing business and to contribute to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee and Compensation Committee.			
Attendance at Board of Directors meetings (FY2021): 12 out of 14 times (85%)			
Term of office as an Outside Director: 1 year and 3 months			

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies	Number of Company's Shares Owned
8	<div>Reappointment</div> <div>Outside Director</div> <div>Independent Director</div> <div>Yuri Sasaki</div> <div>(May 26, 1967)</div>	<div>April 1995</div> <div>Assistant of Hitotsubashi University (Faculty of Commerce and Management)</div> <div>April 1998</div> <div>Assistant Professor of Faculty of Commerce, Takachiho University of Commerce (current Takachiho University)</div> <div>April 2001</div> <div>Assistant Professor of Faculty of Economics, Meiji Gakuin University</div> <div>April 2006</div> <div>Visiting Scholar of University of Washington</div> <div>April 2007</div> <div>Professor of Faculty of Economics, Meiji Gakuin University (incumbent)</div> <div>June 2014</div> <div>Director of JBA TIBOR Administration (incumbent)</div> <div>January 2015</div> <div>Expert Committee Member of Financial System Council of Financial Services Agency (incumbent)</div> <div>November 2015</div> <div>Visiting Scholar of University of Washington</div> <div>June 2018</div> <div>Director of Hitachi Capital Corporation (currently the Company)</div> <div>April 2020</div> <div>Dean of Faculty of Economics, Meiji Gakuin University</div> <div>April 2021</div> <div>Director of the Company (incumbent)</div> <div>(Important Status in Other Companies)</div> <div>Professor of Faculty of Economics, Meiji Gakuin University</div> <div>Director, Meiji Yasuda Life Insurance Company (Scheduled to assume the position effective July 5, 2022)</div>	900
<div>Reasons for proposing the candidate as Director and roles expected of the candidate</div> <div>Ms. Yuri Sasaki has academic knowledge as a university professor, as well as outstanding insight and wealth of experience as an international finance researcher. She had contributed to appropriate decision making and supervision of overall management by the Board of Directors as an independent Outside Director. We are therefore reappointing her as a candidate for Director. We expect her to use her knowledge and experience to contribute to appropriate decision making and supervision of overall management by the Board of Directors as an independent Outside Director from an objective perspective independent of executive management responsible for executing business and to contribute to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee and Compensation Committee.</div>			
Attendance at Board of Directors meetings (FY2021): 14 out of 14 times (100%)			
Term of office as an Outside Director: 1 year and 3 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> Go Watanabe (September 19, 1958)	April 1982      Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.) August 2007      General Manager, Corporate Banking Human Resources Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) April 2008      General Manager, European Planning Division, European Headquarters of BTMU June 2009      Executive Officer of BTMU Deputy President, General Manager of Shanghai Branch of The Bank of Tokyo- Mitsubishi UFJ (China), Ltd. July 2011      Executive Officer, General Manager, Global Corporate Banking Division of BTMU May 2012      Managing Executive Officer, General Manager, Nagoya Sales Headquarters of BTMU June 2013      Managing Executive Officer, Chief Executive Officer, Asian and Oceanian Headquarters of BTMU July 2013      Managing Officer of Mitsubishi UFJ Financial Group, Inc. July 2016      First Senior Vice President of Nidec Corporation September 2020      Chairman of MST Insurance Service Co., Ltd. (incumbent) June 2021      Director of the Company (incumbent) (Important Status in Other Companies) Audit & Supervisory Board Member of MITSUBISHI GAS CHEMICAL COMPANY, INC. (Scheduled to assume the position effective June 28, 2022)	3,000
Reasons for proposing the candidate as Director and roles expected of the candidate Mr. Go Watanabe has a wealth of management experience at a major Japanese financial institution and manufacturing company, as well as deep knowledge in Japanese and international financial business. We expect him to use his experience and knowledge from a practical perspective to 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. Mr. Watanabe had previously served at Mitsubishi UFJ Financial Group, Inc., a major shareholder of the Company (six years have passed since his resignation as of the end of June 2022). The Nomination Committee, the majority of which consists of independent outside directors, deems that utilizing Mr. Watanabe's management experience and extensive knowledge in areas such as finance and international business in the management of the Company will lead to the improvement the Company's corporate value and contribute to the enhancement of the interests of all shareholders including minority shareholders. We expect him to use his knowledge to contribute to appropriate decision making and supervision of overall management by the Board of Directors as an Outside Director and to contribute to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee and Compensation Committee.			
Attendance at Board of Directors meetings (FY2021): 9 out of 9 times (100%)			
Term of office as an Outside Director: 1 year and 0 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>New appointment</div> <div>Outside Director</div> Takuya Kuga (December 5, 1963)	April 1986      Joined Mitsubishi Corporation April 2008      Seconded to Diamond Realty Management Inc. May 2008      President & Representative Director of Diamond Realty Management Inc. July 2009      Seconded to Mitsubishi Corp.- UBS Realty Inc. October 2009    President & Chief Executive Officer of Mitsubishi Corp.- UBS Realty Inc. July 2013      General Manager, Strategic Planning Office, Real Estate Development & Construction Division of Mitsubishi Corporation April 2015      General Manager, Urban Development Department, Real Estate Development & Construction Division of Mitsubishi Corporation April 2016      Division COO, Real Estate Development & Construction Division of Mitsubishi Corporation  October 2016    (Concurrently) General Manager, North America Real Estate Development Department of Mitsubishi Corporation  January 2017    Division COO, Real Estate Business Division of Mitsubishi Corporation April 2017      Senior Vice President and Division COO, Real Estate Business Division of Mitsubishi Corporation April 2019      Senior Vice President and Division COO, Urban Infrastructure Division of Mitsubishi Corporation November 2019   Senior Vice President and General Manager, Urban Development Group CEO Office of Mitsubishi Corporation April 2022      Executive Vice President and Group CEO, Urban Development Group of Mitsubishi Corporation (incumbent)  (Important Status in Other Companies) Executive Vice President and Group CEO, Urban Development Group of Mitsubishi Corporation	0

	<p>Reasons for proposing the candidate as Director and roles expected of the candidate</p> <p>Mr. Takuya Kuga has a wealth of management experience at a major Japanese general trading company, as well as deep knowledge in Japanese and international businesses. We expect him to use his experience and knowledge from a practical perspective to contribute to appropriate decision making and supervision of overall management by the Board of Directors as an Outside Director. We are therefore appointing him as a new candidate for Director. Mr. Kuga concurrently serves as the Executive Vice President of Mitsubishi Corporation, a major shareholder of the Company. The Nomination Committee, the majority of which consists of independent outside directors, deems that utilizing Mr. Kuga's management experience and extensive knowledge in areas such as international business in the management of the Company will lead to the improvement the Company's corporate value and contribute to the enhancement of the interests of all shareholders including minority shareholders. We expect him to use his knowledge to contribute to appropriate decision making and supervision of overall management by the Board of Directors as an Outside Director and to contribute to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee and Compensation Committee.</p>	0
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1. Ms. Yuri Sasaki will assume the position of Director of Meiji Yasuda Life Insurance Company, effective July 5, 2022.
2. Mr. Go Watanabe will resign from the position of Chairman of MST Insurance Service Co., Ltd. effective June 27, 2022 and assume the position of Audit & Supervisory Board Member of MITSUBISHI GAS CHEMICAL COMPANY, INC. effective June 28, 2022.
3. There are no special interests between each candidate and the Company.
4. Mr. Hiroyasu Nakata, Ms. Yuri Sasaki, Mr. Go Watanabe, and Mr. Takuya Kuga are appointed as candidates for Outside Director provided for in Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act.
5. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements (Liability Limitation Agreements) with Mr. Hiroyasu Nakata, Ms. Yuri Sasaki, and Mr. Go Watanabe to limit their 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. If this item of business is approved, the Company plans to renew these agreements without making changes to their contents. With regards to Mr. Takuya Kuga, the Company plans to newly enter into an agreement with the same terms and conditions.
6. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430, Paragraph 3, Item 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., said insurance agreement shall cover damages including compensation for damages and legal expenses to be borne by the insured parties. The candidates for Director in this item of business are to be included as insured parties in said insurance agreement. The agreement is to be renewed with the same contents when the agreement is next up for renewal.
7. The Company has registered Mr. Hiroyasu Nakata and Ms. Yuri Sasaki with the Tokyo Stock Exchange and the Nagoya Stock Exchange as independent officers, and if this item of business is approved, the Company will continue to register said candidates with said stock exchanges.
8. Mr. Hiroyasu Nakata and Ms. Yuri Sasaki have not been involved in corporate management in any way other than 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 candidate as Director and roles expected of the candidate."

**Opinions of the Audit and Supervisory Committee**

The Audit and Supervisory Committee has confirmed the status of deliberations of the Nomination Committee and the Compensation Committee with respect to the election and compensation of Directors (excluding those who are members of the Audit and Supervisory Committee).

After such deliberation and as a result of careful review by the Audit and Supervisory Committee, it has concluded that there are no particular problems with the procedures for electing the candidates, that each candidate has been elected in accordance with the Company's Selection Standards for Directors, and that each candidate is qualified to serve as a Director of the Company.

The Committee have also determined that there are no particular problems with the procedures for determining the compensation of each Director (excluding those who are Audit and Supervisory Committee members) and that the content of such remuneration is appropriate.



**Third Item of Business****Election of 4 (Four) Directors who are Audit and Supervisory Committee Members**

The terms of office of all 4 (four) Directors who are Audit and Supervisory Committee members will expire at the close of this Meeting. Accordingly, you are hereby requested to newly elect 4 (four) Directors who are Audit and Supervisory Committee members. Although the number of Directors who are Audit and Supervisory Committee members will be reduced by one, we believe that the effectiveness of audits will continue to be ensured in light of the current status of the Company's audit system, including cooperation with internal audit division.

The Company has already obtained approval from the Audit and Supervisory Committee with respect to the proposal of this item of business.

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies	Number of Company's Shares Owned
1	<u>New appointment</u> Akira Hamamoto (May 19, 1960)	<p>April 1983      Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>June 2010      Executive Officer and General Manager, Internal Audit Division of Mitsubishi UFJ Financial Group, Inc. (MUFG)</p> <p>May 2011      Executive Officer and Deputy General Manager, Global Compliance Division of MUFG Concurrently served as Deputy General Manager, Corporate Risk Management Division of MUFG Executive Officer and General Manager, Global Compliance Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) Concurrently served as Senior Manager, Information Security Management Office of BTMU Concurrently served as Senior Manager, Information Systems Planning Office, Information Systems Division of BTMU (Special appointment)</p> <p>May 2013      Managing Executive Officer and General Manager, Corporate Banking Division No.2 of BTMU</p> <p>June 2015      Managing Corporate Executive and Group CCO of MUFG Concurrently served as Group CLO (Chief Legal Officer) of MUFG Managing Director and CCO of BTMU Concurrently served as CLO of BTMU</p> <p>June 2017      Senior Managing Corporate Executive and Group CCO of MUFG Concurrently served as Group CLO of MUFG Director and Senior Managing Executive Officer and CCO of BTMU</p>	1,500

		<p>June 2019</p> <p>June 2021</p>	<p>Concurrently served as CLO of BTMU Member of the Board of Directors and Full-time Member of the Audit &amp; Supervisory Committee of MUFG Bank, Ltd.</p> <p>Senior Managing Executive Officer of the Company (incumbent)</p>	
	<p>Reasons for proposing the candidate as Director who is an Audit and Supervisory Board member</p> <p>Since 2021, Mr. Akira Hamamoto has served as the Senior Managing Officer of the Company based on a wealth of management experience at major Japanese financial institutions and experience as a full-time Audit &amp; Supervisory Committee Member, and had contributed to ensuring sound management of the Company as an executive in charge of Internal Audit Department. We expect him to use his experience and knowledge 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).</p>			

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies	Number of Company's Shares Owned
2	<div>Reappointment</div> <div>Outside Director</div> <div>Independent Director</div> <div>Koichiro Hiraiwa (January 2, 1950)</div>	<div>April 1974</div> <div>May 1997</div> <div>January 2002</div> <div>April 2004</div> <div>June 2005</div> <div>July 2008</div> <div>March 2009</div> <div>March 2015</div> <div>June 2015</div> <div>December 2017</div> <div>June 2019</div> <div>April 2021</div> <div>(Important Status in Other Companies)</div> <div>Representative Director, Dream Estate Tokyo Inc.</div> <div>Joined Bank of Japan</div> <div>General Manager of Okayama Branch, Bank of Japan</div> <div>General Manager of Kyoto Branch, Bank of Japan</div> <div>Head of Business Planning Department, Financial Business Division, NTT DATA Corporation</div> <div>Head of Financial Strategy Business Promoting Office, Financial Business Division, NTT DATA Corporation</div> <div>Head of Financial Business Planning Office, Financial Business Planning and Administration Department, NTT DATA Corporation</div> <div>President &amp; Representative Director, the Kyoto Hotel, Ltd.</div> <div>Director, Allied Telesis Holdings K.K. Representative Director, Apua Consulting Inc.</div> <div>Director, Hitachi Capital Corporation (currently the Company)</div> <div>Representative Director, Dream Estate Tokyo Inc. (incumbent)</div> <div>Chairman, Hitachi Capital Corporation</div> <div>Director (Audit and Supervisory Committee Member) of the Company (incumbent)</div>	9,000
<div>Reasons for proposing the candidate as Director and roles expected of the candidate</div> <div>Mr. Koichiro Hiraiwa has extensive knowledge through experience at a Japanese central bank and a leading Japanese telecommunications company, and through management of a major hotel. He had contributed to appropriate decision making and supervision of overall management by the Board of Directors, as well as to neutral and objective audits. We are therefore reappointing him as a candidate for Director (Audit and Supervisory Committee member). We expect him to use his knowledge to contribute to ensuring the soundness of the management of the Company as an independent Outside Director from an objective perspective independent of executive management responsible for executing business and to contribute to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee and Compensation Committee.</div>			
Attendance at Board of Directors meetings (FY2021): 14 out of 14 times (100%)			
Attendance at Audit and Supervisory Committee meetings: 12 out of 12 times (100%)			
Term of office as an Outside Director: 1 year and 3 months			

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>Reappointment</div> <div>Outside Director</div> <div>Independent Director</div> <div>Hiroko Kaneko</div> <div>(March 28, 1958)</div>	<div>April 1980</div> <div>Joined The Sapporo Television Broadcasting Co., Ltd.</div> <div>October 1989</div> <div>Joined Ota Showa Audit Corporation (currently ERNST &amp; YOUNG SHINNIHON LLC)</div> <div>February 1993</div> <div>Registered as certified public accountant</div> <div>May 2007</div> <div>Partner, ERNST &amp; YOUNG SHINNIHON (currently ERNST &amp; YOUNG SHINNIHON LLC)</div> <div>July 2010</div> <div>Senior Partner, ERNST &amp; YOUNG SHINNIHON LLC</div> <div>April 2018</div> <div>Professor at Waseda Graduate School of Accountancy (incumbent)</div> <div>June 2018</div> <div>Audit &amp; Supervisory Board Member, The Shoko Chukin Bank, Ltd. (incumbent)</div> <div>June 2019</div> <div>Director, Kanagawa Chuo Kotsu Co., Ltd. (incumbent)</div> <div>June 2020</div> <div>Audit &amp; Supervisory Board Member of Mitsubishi UFJ Lease &amp; Finance Company Limited (currently the Company)</div> <div>February 2021</div> <div>Member of Business Accounting Council, Financial Services Agency (incumbent)</div> <div>April 2021</div> <div>Director (Audit and Supervisory Committee Member) of the Company (incumbent)</div> <div>March 2022</div> <div>Member of the Board, The Yokohama Rubber Co., Ltd. (incumbent)</div> <div>(Important Status in Other Companies)</div> <div>Professor at Waseda Graduate School of Accountancy</div> <div>Director, Kanagawa Chuo Kotsu Co., Ltd.</div> <div>Member of the Board, The Yokohama Rubber Co., Ltd.</div>	0
		Reasons for proposing the candidate as Director and roles expected of the candidate	
		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. She had contributed to appropriate decision making and supervision of overall management by the Board of Directors, as well as to neutral and objective audits. We are therefore reappointing her as a candidate for Director (Audit and Supervisory Committee member). We expect her to use her knowledge to contribute to ensuring the soundness of the management of the Company as an independent Outside Director from an objective perspective independent of executive management responsible for executing business and to contribute to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee and Compensation Committee.	
		Attendance at Board of Directors meetings (FY2021): 13 out of 14 times (92%)	
		Attendance at Audit and Supervisory Committee meetings: 12 out of 12 times (100%)	
		Term of office as an Outside Director: 1 year and 3 months	

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in Other Companies	Number of Company's Shares Owned
4	<div> <div>New appointment</div> <div>Outside Director</div> <div>Independent Director</div> </div> <div>Masayuki Saito (November 8, 1954)</div>	<div> <div>April 1977</div> <div>April 2008</div> <div>June 2010</div> <div>April 2011</div> <div>April 2012</div> <div>April 2013</div> <div>January 2016</div> <div>January 2020</div> <div>January 2021</div> <div>(Important Status in Other Companies)</div> </div> <div> <div>Joined Dainippon Ink and Chemicals, Incorporated (currently DIC Corporation)</div> <div>Executive Officer and Head of Finance and Accounting Unit of DIC Corporation</div> <div>Director and Executive Officer, Head of Finance and Accounting Unit of DIC Corporation</div> <div>Director and Managing Executive Officer, Head of Finance and Accounting Unit of DIC Corporation</div> <div>Representative Director, Senior Executive Officer, Assistant to the President and CEO, and Head of Finance and Accounting Unit of DIC Corporation</div> <div>Representative Director, Senior Executive Officer, Assistant to the President and CEO, and Head of Finance and Accounting Unit of DIC Corporation</div> <div>Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.</div> <div>Representative Director, Executive Vice President, CFO, and Assistant to the President and CEO of DIC Corporation</div> <div>Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.</div> <div>Representative Director and Executive Vice President, and Assistant to the President and CEO of DIC Corporation</div> <div>Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.</div> <div>Chairman of the Board of Directors of DIC Corporation (incumbent)</div> <div>Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A. (incumbent)</div> <div>Chairman of the Board of Directors of DIC Corporation</div> </div>	0
<div>Reasons for proposing the candidate as Director and roles expected of the candidate</div> <div>Mr. Masayuki Saito has a wealth of management experience at a major Japanese manufacturing company, as well as deep knowledge in finance and accounting. We expect him to contribute to appropriate decision making and supervision of overall management by the Board of Directors, as well as to neutral and objective audits. We are therefore appointing him as a new candidate for Director (Audit and Supervisory Board member). We expect him to use his knowledge to contribute to ensuring the soundness of the management of the Company from an objective perspective independent of executive management responsible for executing business and to contribute to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee and Compensation Committee.</div>			

(Notes)

1. Ms. Hiroko Kaneko will resign from the position of Audit & Supervisory Board Member of The Shoko Chukin Bank, Ltd. effective June 21, 2022.
2. There are no special interests between each candidate and the Company.
3. Mr. Koichiro Hiraiwa, Ms. Hiroko Kaneko, and Mr. Masayuki Saito are appointed as candidates for Outside Director provided for in Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act.
4. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements (Liability Limitation Agreements) with Mr. Koichiro Hiraiwa and Ms. Hiroko Kaneko to limit their 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. If this item of business is approved, the Company plans to renew these agreements without making changes to their contents. With regards to Mr. Akira Hamamoto and Mr. Masayuki Saito, the Company plans to newly enter into an agreement with the same terms and conditions.
5. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430, Paragraph 3, Item 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., said insurance agreement shall cover damages including compensation for damages and legal expenses to be borne by the insured parties. The candidates for Director in this item of business are to be included as insured parties in said insurance agreement. The agreement is to be renewed with the same contents when the agreement is next up for renewal.
6. The Company has registered Mr. Koichiro Hiraiwa and Ms. Hiroko Kaneko, and Mr. Masayuki Saito with the Tokyo Stock Exchange and the Nagoya Stock Exchange as independent officers, and if this item of business is approved, the Company will continue to register said candidates with said stock exchanges.
7. 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 their duties as Outside Directors for the reasons stated in “Reasons for proposing the candidate as Director and roles expected of the candidate.”

<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 be expected to have the ability to make objective judgments regarding management and have excellent insight and perspicacity.
5. Based on the candidates' knowledge, experience, and ability, etc., it should be reasonably considered that the candidates will contribute to strengthening the functions of the Board of Directors.
6. In addition to 1. to 5. above, Outside Directors should (i) have experience, achievements and knowledge in their fields of specialty, (ii) be able to contribute to the implementation of appropriate decision making and management supervision of the Board of Directors, and (iii) be expected to set aside time necessary to perform their duties.
7. A candidate for reappointment should have fulfilled the role expected of them during their term of office.

● Independence Standards for Outside Directors

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

- (1) A major shareholder (a shareholder holding 10% or more of the total voting rights) of the Company or an Executive (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 there are special circumstances for designating the candidate as an independent director and the Company judges that he/she substantially has independence and therefore will register him/her as an independent director with the financial instruments exchanges of Japan, such as the Tokyo Stock Exchange, the reason therefor shall be explained and disclosed at the time of the candidate's election as an Outside Director.



**Business Report**

(April 1, 2021 to March 31, 2022)

**1. Status of the Group****(1) Business progress and results**

On April 1, 2021, the Company (the former Mitsubishi UFJ Lease & Finance Company Limited, “MUL”) executed the business integration with Hitachi Capital Corporation (“HC”) and changed the trade name to Mitsubishi HC Capital Inc.

- Year on year figures in “(1) Summary of operating results and topics” represent a comparison with MUL figures for the previous fiscal year (from April 1, 2020 to March 31, 2021).
- Figures for the previous fiscal year in “(2) Operating results by reporting segment” are the sum of consolidated results of MUL and those of HC (IFRS basis) converted into J-GAAP basis in a simplified manner, which are reclassified to conform to the new segmentation and presented as reference value.
- The comparison figures for the end of the previous fiscal year (March 31, 2021) in “(3) Consolidated financial position” represent a comparison with MUL figures.

**1) Summary of operating results and topics**

The operating results for the current fiscal year are as follows.

Compared to the previous fiscal year, revenues increased by ¥817.9 billion (86.3%) to ¥1,765.5 billion, gross profit increased by ¥174.1 billion (108.5%) to ¥334.6 billion, operating income increased by ¥51.7 billion (83.1%) to ¥114.0 billion, recurring income increased by ¥52.2 billion (80.5%) to ¥117.2 billion, and net income attributable to owners of the parent increased by ¥44.0 billion (79.7%) to ¥99.4 billion. The Company exceeded the full-year earnings forecast (net income attributable to owners of the parent of ¥95.0 billion) by ¥4.4 billion.

In line with exceeding the full-year earnings forecast, the annual dividend per share has been set to 28.00 yen, an increase of 2.00 yen from the forecast dividend of 26.00 yen. This is a dividend increase of 2.50 yen per share from 25.50 yen per share for the previous fiscal year.

■ Revenues (consolidated)	(year on year)	■ Recurring income (consolidated)	(year on year)
¥1,765.5 billion	+¥817.9 billion (+86.3%)	¥117.2 billion	+¥52.2 billion (+80.5%)
■ Gross profit (consolidated)	(year on year)	■ Net income attributable to owners of the parent (consolidated)	(year on year)
¥334.6 billion	+¥174.1 billion (+108.5%)	¥99.4 billion	+¥44.0 billion (+79.7%)
■ Operating income (consolidated)	(year on year)	■ New transactions volume (consolidated)	(year on year)
¥114.0 billion	+¥51.7 billion (+83.1%)	¥2,507.8 billion	+¥1,504.6 billion (+150.0%)

(Reference)

Figures for the previous fiscal year (from April 1, 2020 to March 31, 2021) in this reference information are the sum of consolidated results of MUL and those of HC (IFRS basis) converted into J-GAAP basis in a simplified manner and presented as reference value. The operating results for the current fiscal year compared to this reference value are as follows.

Net income attributable to owners of the parent increased by ¥12.2 billion (14.0%) year on year (to reference value), to ¥99.4 billion, mainly thanks to 1) business growth in subsidiaries in Europe and the U.S. in Account Solutions segment and in the marine container leasing in Logistics segment, 2) an increase in gains on sale of assets in Aviation segment, 3) continuous replacement of the portfolio, and 4) steady promotion in asset turnover business.

■ Revenues (consolidated)	(compared to reference value from previous fiscal year)	■ Recurring income (consolidated)	(compared to reference value from previous fiscal year)
¥1,765.5 billion	+¥51.6 billion (+3.0%)	¥117.2 billion	+¥11.8 billion (+11.2%)
■ Gross profit (consolidated)	(compared to reference value from previous fiscal year)	■ Net income attributable to owners of the parent (consolidated)	(compared to reference value from previous fiscal year)
¥334.6 billion	+¥38.8 billion (+13.1%)	¥99.4 billion	+¥12.2 billion (+14.0%)
■ Operating income (consolidated)	(compared to reference value from previous fiscal year)	■ New transactions volume (consolidated)	(compared to reference value from previous fiscal year)
¥114.0 billion	+¥16.0 billion (+16.4%)	¥2,507.8 billion	+¥246.3 billion (+10.9%)

As stated in “Changes in accounting policies in the consolidated notes disclosed online in the Notice of 51st Annual General Meeting of Shareholders,” the Company changed its accounting policies in the current fiscal year, and the new accounting policies have been retrospectively applied to the figures of the previous fiscal year.

Major topics include that, in October 2021, the Company announced its support for Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and, in December 2021, identified and announced the following six material issues as our priority key challenges we should address for our sustainable growth. The Group will make concrete business strategies and measures for solving these material issues. For details on the six material issues, please refer to “2) The Company’s management strategy in the medium to long term and issues to be addressed” under “(2) Issues to be addressed”

As part of our efforts toward promotion of a decarbonized society and realization of prosperous and sustainable future through business, we established the Tokorozawa Kitaiwaoka Solar Power Plant in July 2021 under the solar sharing model which allows to cope with both providing electricity to Tokorozawa City, Saitama Prefecture, and cultivating blueberries. Our overseas efforts include the acquisition of shares of Trung Nam Wind Power Joint Stock Company, a Vietnamese wind power generation business developer and operator, in May 2021 to enter the wind power market in Vietnam and the investment in a solar power generation business in California, the U.S., in September 2021. Also, we made investment in Universal Hydrogen Co., a U.S. hydrogen-powered aircraft startup, in October 2021 and purchased 25 new generation fuel-efficient aircraft engines in the aircraft engine leasing business in November 2021, with an aim to contribute to reducing environmental impacts of the aviation industry by further increasing such engines.

In Logistics segment, the Company acquired all shares of CAI International, Inc., a leading U.S. marine container leasing company, and made them our wholly-owned subsidiary in November 2021. Taking advantage of this acquisition, we will enhance our global competitiveness in the marine container leasing business with high growth potential and stable leasing demand to develop the business as one of our growth drivers.



Wind Power Farm in Vietnam



Tokorozawa Kitaiwaoka Solar Power Plant  
(solar sharing)



Marine container (image)

## 2) Operating results by reporting segment

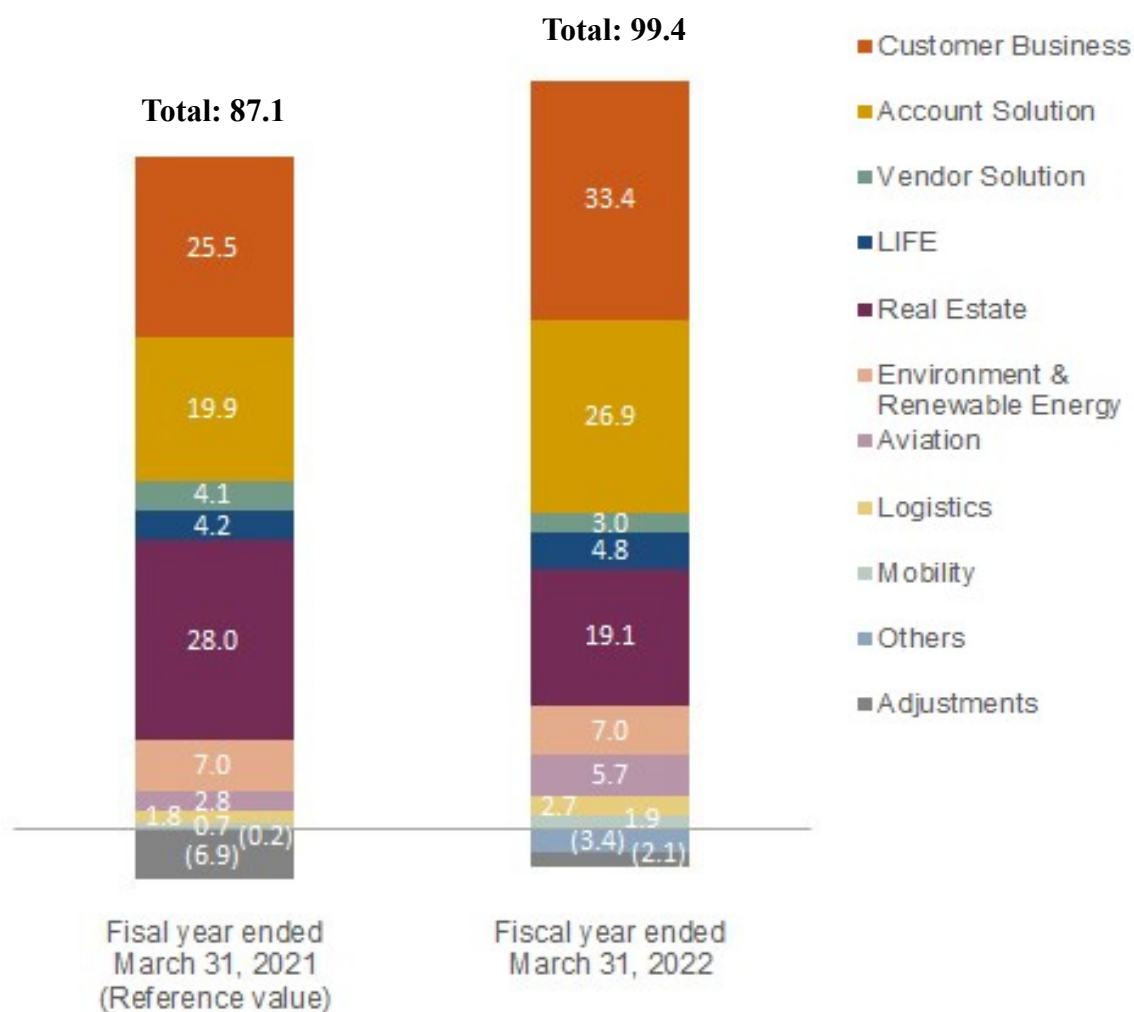
Operating results by reporting segment are as follows.

Following the business integration with HC on April 1, 2021, the Company reorganized its reporting segments to ten segments as follows.

A description of the business in each segment is provided in “7) Principal lines of business.”

Segment profit (net income by segment)

(Billions of yen)



	Main factors for changes in segment profit
Customer Business	Segment profit increased by ¥7.9 billion (31.2%) year on year (reference value), to ¥33.4 billion mainly thanks to business growth of ENGS Holdings Inc., a U.S. sales finance company, and an increase in gain on sale of strategic shareholdings.
Account Solution	Segment profit increased by ¥6.9 billion (34.9%) year on year (reference value), to ¥26.9 billion mainly thanks to business growth primarily in Europe and the U.S. despite an increase in selling, general and administrative expenses associated with expanded business activities.
Vendor Solution	Segment profit decreased by ¥1.1 billion (28.2%) year on year (reference value), to ¥3.0 billion due to a decrease in segment assets despite an increase in new transactions volume.
LIFE	Segment profit increased by ¥0.6 billion (14.6%) year on year (reference value), to ¥4.8 billion thanks to an increase in gain on sale of logistics facilities in the real estate-related business as well as a decrease in selling, general and administrative expenses.
Real Estate	Segment profit decreased by ¥8.8 billion (31.7%) year on year (reference value), to ¥19.1 billion due to a reactionary fall in sales gains and absence of compensation received in association with the redevelopment project, both recorded in the previous fiscal year.
Environment & Renewable Energy	Segment profit remained flat year on year (reference value) at ¥7.0 billion due to an absence of gain on step acquisitions recorded in the solar power generation business in the previous fiscal year despite an increase in electricity sales revenues.
Aviation	Segment profit increased by ¥2.9 billion (105.4%) year on year (reference value), to ¥5.7 billion mainly thanks to an increase in gain on sale of assets and posting of gain on sale of certain receivables from bankrupt debtors, despite recognition of credit costs for certain existing customers, expenses in relation to modification of terms for certain existing lease contracts, posting of impairment loss, and foreign exchange losses related to borrowings denominated in foreign currencies in certain businesses.
Logistics	Segment profit increased by ¥0.8 billion (47.7%) year on year (reference value), to ¥2.7 billion mainly thanks to steady performance of Beacon Intermodal Leasing, LLC, a marine container leasing company, and an increase in equity-method investment gains in the auto leasing business, despite posting of one-time expenses in connection with reconfiguration of portfolio in the railway freight car leasing business and expenses related to the acquisition of CAI International, Inc.
Mobility	Segment profit increased by ¥1.1 billion (160.7%) year on year (reference value), to ¥1.9 billion mainly thanks to an increase in gain on sale of vehicles for which the leasing term matured in Japan and overseas etc., responding to the high demand for used cars on a global basis.
Others	Segment profit decreased by ¥3.1 billion year on year (reference value), to a segment loss of ¥3.4 billion mainly due to posting of credit costs for certain customers in the infrastructure business.

### 3) Consolidated financial position

Total assets at the end of the current fiscal year increased by ¥4,313.9 billion (71.7%) year on year to ¥10,328.8 billion, total equity increased by ¥515.5 billion (63.0%) year on year to ¥1,333.4 billion and interest-bearing debt (excluding lease obligations) increased by ¥3,431.1 billion (74.0%) year on year to ¥8,066.0 billion. In addition, the equity-to-asset ratio decreased by 0.7 percentage points from the end of the previous fiscal year to 12.7%. Those are primarily attributable to the business integration with HC on April 1, 2021.

## (2) Issues to be addressed (Management policy, business environment, issues to be addressed)

### 1) Basic management policy

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

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

#### ◎ Our Mission

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

#### ◎ Our Vision

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

#### ◎ Action Principles

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

2) The Company's management strategy in the medium to long term and issues to be addressed

(i) Business environment

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

In this external environment, the roles required of the Group are changing to better resolve social issues through business investment and operation, in addition to conventional leasing and finance. 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 the Group, holding various asset-related functions and offering flexible services which are not limited to financial functions, will increase further.

The Group will contribute to a sustainable and prosperous future by regarding these drastic environmental changes in society and the relevant industries as new business opportunities and creating social value for various customers and local communities.

(ii) Medium- to long-term management direction

In order to achieve Our Mission, we have set forth our Medium- to long-term management direction and our "Our 10-year Vision," which describes how we want to be recognized by our stakeholders and how we must transform to realize Our Mission.

Our 10-year Vision

"Our 10-year Vision" is to be "Together we innovate, challenge and explore the frontiers of the future." This is inspired by the following aspirations.

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

We will achieve "Our 10-year Vision" through Medium-term Management Plans in three stages (Hop, Step, and Jump). The new Medium-term Management Plan, which begins in fiscal 2023 (the fiscal year ending March 31, 2024), will serve as the Hop.

### Toward “Our 10-year Vision”

By working on SX/DX and business portfolio transformation, we will promote CX: Corporate Transformation and achieve “Our 10-year Vision.”

Furthermore, by implementing CX: Corporate Transformation, we will also realize CX: Customer Experience, or the creation of customer value.

### SX / DX

Our SX (Sustainability Transformation) will allow us to achieve “coexistence and co-prosperity with environmental and social values” and “sustainable growth” through materiality initiatives and a solid management base.

Furthermore, through DX (Digital Transformation), we will achieve “creation and qualitative improvement of customer value” by utilizing data and digital technologies and making strategic investments.

### Business portfolio transformation

As part of our business portfolio transformation, we will carry out the three initiatives: 1) “Developing” new businesses, 2) shifting existing businesses to high value-added services, and 3) enhancing profitability and efficiency of existing businesses.

In addition to developing new businesses and domains and create new revenue sources by utilizing stable cash flows and the wide-ranging customer base of existing businesses, we will shift to high value-added services by maintaining and expanding the customer base of existing businesses and increase returns by improving customer experience. At the same time, we will enhance the profitability and efficiency of existing businesses that create stable cash flows.















### (iii) Materiality

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

Against the backdrop of global environmental changes in recent years such as climate change driven by global warming, population growth, urbanization, and scarcity of resources, companies are expected to make efforts to solve numerous issues, such as promoting a decarbonized society and building a circular economy.

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



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

(iv) Business issues to be addressed as a priority matter

In order to create synergies through business integration, we recognize the importance of the promotion of PMI (Post Merger Integration, the business integration process). We have established a department that oversees the company's PMI and promotes overall synergies, and has been engaged in vigorous activities in various working groups. As a result, PMI is progressing well.

Through business integration, we aim to create synergies from three aspects: cost synergies, such as optimization of management resources; sales synergies; and synergies from the use of capital reserves created by the integration.

In addition, recognizing the importance of the six material issues (materiality) described in the previous section, we will implement business strategies and measures aimed to solve these issues.

The first Medium-term Management Plan after the business integration is currently being formulated and is scheduled to be announced during fiscal 2022 (the fiscal year ending March 31, 2023).

3) Target performance indicators

The Medium-term management policy and strategy, as well as the specific performance indicators to be targeted, will be considered in the formulation of the Medium-term Management Plan for the three-year period beginning in fiscal 2023 (the fiscal year ending March 31, 2024).

At this point in time, the following are the expected targets for the performance indicators for fiscal 2025 (the fiscal year ending March 31, 2026), which is the final year of the Medium-term Management Plan.

Item	Expected target	March 31, 2022 (actual)
ROA	Approx. 1.5%	1.0%
ROE	Approx. 10%	8.0%
Payout ratio	Approx. 40% (From fiscal 2023 to fiscal 2025)	40.4%

(Note) Net income attributable to owners of the parent is used in the calculations of ROA and ROE. In addition, the start-of-year values used in the calculations of ROA and ROE for the fiscal year end March 31, 2022 reflect the business integration with Hitachi Capital.

**(3) Status of capital investments**

The total investment in leased assets related to operating lease transactions during the fiscal year was ¥436.2 billion.

**(4) Status of financing**

Interest-bearing debt on a consolidated basis came to ¥8,066.0 billion, an increase of ¥3,431.1 billion from the end of the previous fiscal year.

Out of this, borrowings from financial institutions came to ¥4,515.1 billion (a ¥1,644.7 billion increase from the end of the previous fiscal year), and direct funding through bonds payable, commercial papers, and securitization of receivables, etc. came to ¥3,550.9 billion (a ¥1,786.3 billion increase).

When financing, the Group attempted to stabilize funding and control costs while appropriately managing liquidity risk, interest rate fluctuation risk, etc.

**(5) Changes in assets and income (loss)**

## 1) Changes in assets and income (loss) of the Group

(Millions of yen)

Category	FY2018 48th term	FY2019 49th term	FY2020 50th term	FY2021 51st term (Current fiscal year)
Revenues	864,224	923,768	947,658	1,765,559
Recurring income	87,605	94,376	64,968	117,239
Net income attributable to owners of the parent	68,796	70,754	55,314	99,401
Earnings per share	77.28 yen	79.44 yen	62.07 yen	69.24 yen
Total assets	5,790,929	6,285,966	6,014,896	10,328,872
Total equity	778,582	798,820	817,906	1,333,467

(Note) As stated in “Changes in accounting policies in the consolidated notes disclosed online in the Notice of 51st Annual General Meeting of Shareholders,” the Company changed its accounting policies in the current fiscal year, and the new accounting policies have been retrospectively applied to the figures of the previous fiscal year.

## 2) Changes in assets and income (loss) of the Company

(Millions of yen)

Category	FY2018 48th term	FY2019 49th term	FY2020 50th term	FY2021 51st term (Fiscal year under review)
Revenues	474,081	470,854	492,019	838,475
Recurring income	50,791	41,087	61,392	34,008
Net income	46,279	38,768	63,399	51,584
Earnings per share	51.99 yen	43.53 yen	71.14 yen	35.93 yen
Total assets	4,236,814	4,476,092	4,181,294	5,700,025
Total equity	497,324	508,589	557,554	880,601

(Note) As stated in “Changes in accounting policies in the non-consolidated notes disclosed online in the Notice of 51st Annual General Meeting of Shareholders,” the Company changed its accounting policies in the fiscal year under review, and the new accounting policies have been retrospectively applied to the figures of the previous fiscal year.

**(6) Status of major subsidiaries**

Company name	Share capital or investments in capital	Percentage of voting rights held	Principal business
DFL Lease Company Limited	¥3,700 million	80 (-)	Leasing and financial business
Shutoken Leasing Co., Ltd.	¥3,300 million	70.71 (-)	Leasing and financial business
ENGs Holdings Inc.	US\$ 0 thousand	100 (-)	Leasing and financial business
Mitsubishi HC Capital (Shanghai) Co., Ltd.*	US\$ 55,000 thousand	100 (-)	Leasing business
PT. Mitsubishi HC Capital and Finance Indonesia*	Rp 400,000 million	100 (15)	Leasing business
Mitsubishi HC Capital UK PLC*	STG£ 110,668 thousand	100 (-)	Leasing and financial business
Mitsubishi HC Capital America, Inc.*	US\$ 180,000 thousand	100 (-)	Leasing and financial business
Mitsubishi HC Capital Canada, Inc.*	CA\$ 97,000 thousand	100 (100)	Leasing and financial business
Mitsubishi HC Capital Leasing (Beijing) Co., Ltd.*	US\$ 170,000 thousand	100 (100)	Leasing and financial business
Mitsubishi HC Capital Factoring (Shanghai) Co., Ltd.*	RMB 306,570 thousand	100 (100)	Factoring business
Mitsubishi HC Capital (Hong Kong) Limited*	HK\$ 310,000 thousand	100 (100)	Leasing and financial business
Mitsubishi HC Capital Management (China) Limited*	HK\$ 2,285,516 thousand	100 (-)	Group fund raising business
Mitsubishi HC Capital Asia Pacific Pte. Ltd.*	S\$ 126,400 thousand	100 (-)	Leasing and financial business
Mitsubishi HC Capital (Thailand) Co., Ltd.*	THB 1,100,000 thousand	100 (99.99)	Leasing and financial business
Mitsubishi HC Business Lease Corporation*	¥10,000 million	100 (-)	Leasing and financial business
Capital Insurance Corporation*	¥6,200 million	79.36 (-)	Non-life insurance
Mitsubishi HC Capital Community Corporation	¥80 million	100 (-)	Real estate rental business
PT HCD Properti Indonesia	Rp 580,000 million	63.45 (63.45)	Real estate rental business
Mitsubishi HC Capital Property Inc.*	¥251 million	100 (-)	Real estate rental business
Diamond Asset Finance Company Limited	¥8,575 million	100 (-)	Leasing and financial business
Mitsubishi HC Capital Realty Inc.*	¥300 million	100 (-)	Real estate-related investment business

Company name	Share capital or investments in capital	Percentage of voting rights held	Principal business
Mitsubishi HC Capital Energy Inc.*	¥150 million	100 (-)	Energy-related asset management business
JSA International Holdings, L.P.	US\$ 742,183 thousand	100 (-)	Aircraft leasing business
Engine Lease Finance Corporation	US\$ 1 thousand	100 (100)	Aircraft engine leasing business
Beacon Intermodal Leasing, LLC	US\$ 1 thousand	100 (100)	Container leasing business
PNW Railcars, Inc.*	US\$ 1 thousand	100 (100)	Freight car leasing business
CAI International, Inc.	US\$ 0 thousand	100 (-)	Container leasing business
Mitsubishi HC Capital Auto Lease Corporation*	¥300 million	100 (-)	Car leasing business
JAPAN MEDICAL LEASE CORPORATION	¥100 million	100 (-)	Leasing and financial business
Japan Infrastructure Initiative Company Limited	¥17,500 million	95.1 (-)	Infrastructure-related investment business
MHC America Holdings Corporation*	US\$ 0 thousand	100 (-)	Group fund raising business

(Notes) 1. Companies whose “Company name” is marked with an asterisk (\*) have changed their names during the fiscal year under review.

2. Figures in parenthesis in “percentage of voting rights held” represent the percentage of voting rights indirectly owned.

## (7) Principal business

The Group consists of the Company, its subsidiaries 467 and affiliates 102. Other affiliated companies include Mitsubishi Corporation and Mitsubishi UFJ Financial Group, Inc.

On April 1, 2021, the Company (the former Mitsubishi UFJ Lease & Finance Company Limited, “MUL”) executed the business integration with Hitachi Capital Corporation (“HC”) and changed the trade name to Mitsubishi HC Capital Inc. Following the business integration, the Company reorganized part of the reporting segments of MUL and HC and changed them to the following ten segments effective April 1, 2021; “Customer Business,” “Account Solution,” “Vender Solution,” “LIFE,” “Real Estate,” “Environment & Renewable Energy,” “Aviation,” “Logistics,” “Mobility,” and “Others.”

In addition, the segments of “Healthcare,” “Infrastructure & Investment,” and other businesses are aggregated into “Others” in accordance with the aggregation criteria set forth in the “Accounting Standard for Disclosures about Segments of an Enterprise and Related information.”

The details of the reporting segments after the change and the main services and businesses of each segment are as follows.

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

In the next fiscal year (ending March 31, 2023), the Company plans to change its reporting segments in accordance with the organizational changes.

## (8) Locations

### 1) The Company

Head Office Chiyoda-ku, Tokyo

Branches, etc. Nishi-Shimbashi Office, Nagoya Office, Akasaka Office, Osaka Office, Sapporo Branch, Tohoku Branch (Sendai), Omiya Branch, Tokyo Business Department No.4 (Shinjuku), Yokohama Branch, Hokuriku Branch (Kanazawa), Hamamatsu Branch, Kariya Business Department, Kyoto Branch, Kobe Branch, Chushikoku Branch (Okayama), Kyushu Branch (Fukuoka)

### 2) Subsidiaries (domestic)

Company name	Head office location
DFL Lease Company Limited	Osaka-shi, Osaka
Shutoken Leasing Co., Ltd.	Chiyoda-ku, Tokyo
Mitsubishi HC Business Lease Corporation	Minato-ku, Tokyo
Capital Insurance Corporation	Chiyoda-ku, Tokyo
Mitsubishi HC Capital Community Corporation	Minato-ku, Tokyo
Mitsubishi HC Capital Property Inc.	Chiyoda-ku, Tokyo
Diamond Asset Finance Company Limited	Chiyoda-ku, Tokyo
Mitsubishi HC Capital Realty Inc.	Chiyoda-ku, Tokyo
Mitsubishi HC Capital Energy Inc.	Chiyoda-ku, Tokyo
Mitsubishi HC Capital Auto Lease Corporation	Minato-ku, Tokyo
JAPAN MEDICAL LEASE CORPORATION	Shinagawa-ku, Tokyo
Japan Infrastructure Initiative Company Limited	Chiyoda-ku, Tokyo

### 3) Subsidiaries (overseas)

Company name	Location
ENGs Holdings Inc.	U.S.
Mitsubishi HC Capital (Shanghai) Co., Ltd.	China
PT. Mitsubishi HC Capital and Finance Indonesia	Indonesia
Mitsubishi HC Capital UK PLC	UK
Mitsubishi HC Capital America, Inc.	U.S.
Mitsubishi HC Capital Canada, Inc.	Canada
Mitsubishi HC Capital Leasing (Beijing) Co., Ltd.	China
Mitsubishi HC Capital Factoring (Shanghai) Co., Ltd.	China
Mitsubishi HC Capital (Hong Kong) Limited	Hong Kong
Mitsubishi HC Capital Management (China) Limited	Hong Kong
Mitsubishi HC Capital Asia Pacific Pte. Ltd.	Singapore
Mitsubishi HC Capital (Thailand) Co., Ltd.	Thailand
PT HCD Properti Indonesia	Indonesia
JSA International Holdings, L.P.	U.S.
Engine Lease Finance Corporation	Ireland
Beacon Intermodal Leasing, LLC	U.S.
PNW Railcars, Inc.	U.S.
CAI International, Inc.	U.S.
MHC America Holdings Corporation	U.S.

**(9) Status of business combinations**

On April 1, 2021, MUL executed the business integration with HC and changed the trade name to Mitsubishi HC Capital Inc. In addition, in November 2021, the Company acquired the full equity stake in CAI International, Inc., making it and its subsidiaries a subsidiary of the Company.

**(10) Status of employees**

## Status of Group employees

Segment name	Number of employees
Customer Business	1,607 (down 56 from the end of the previous fiscal year)
Account Solution	3,264 (up 3,264 from the end of the previous fiscal year)
Vendor Solution	427 (up 427 from the end of the previous fiscal year)
LIFE	321 (up 321 from the end of the previous fiscal year)
Real Estate	338 (up 42 from the end of the previous fiscal year)
Environment & Renewable Energy	121 (up 58 from the end of the previous fiscal year)
Aviation	198 (up 4 from the end of the previous fiscal year)
Logistics	408 (up 87 from the end of the previous fiscal year)
Mobility	614 (up 614 from the end of the previous fiscal year)
Others	520 (up 252 from the end of the previous fiscal year)
Company-wide (common)	985 (up 506 from the end of the previous fiscal year)
Total	8,803 (up 5,519 from the end of the previous fiscal year)

- (Notes) 1. The number of employees excludes those dispatched from the Group to outside companies but includes those dispatched from outside companies to the Group.
2. The employees indicated as Company-wide (common) belong to administrative divisions, which cannot be classified in any specific segment.
3. Following the merger with Hitachi Capital Corporation on April 1, 2021, the number of employees increased significantly compared to the end of the previous fiscal year.
4. Reporting segments have been changed as of the current fiscal year. A description of the business in each segment is provided in “(7) Principal business.”



**(11) Main lenders**

Lender	Amount
	Millions of yen
MUFG Bank, Ltd.	1,057,643
Mizuho Bank, Ltd.	474,675
Sumitomo Mitsui Banking Corporation	321,357
Sumitomo Mitsui Trust Bank, Limited	274,904
The Norinchukin Bank	247,634

## 2. Matters concerning the Company's shares

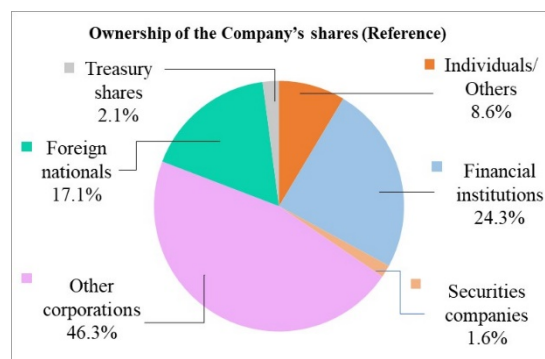
(1) Total number of authorized shares 4,800,000,000

(2) Total number of issued shares 1,436,157,916

(Excluding 30,754,328 treasury shares.)

(3) Number of shareholders 148,418

### (4) Major shareholders



Name	Shares held	Ownership (Note)
Mitsubishi Corporation	264,044,396 shares	18.38%
Mitsubishi UFJ Financial Group, Inc.	208,345,981 shares	14.50%
Hitachi, Ltd.	167,678,580 shares	11.67%
The Master Trust Bank of Japan, Ltd. (Trust Account)	114,134,900 shares	7.94%
Custody Bank of Japan, Ltd. (Trust Account)	55,176,500 shares	3.84%
MUFG Bank, Ltd.	50,348,620 shares	3.50%
Meiji Yasuda Life Insurance Company	31,100,390 shares	2.16%
Mitsubishi UFJ Trust and Banking Corporation	28,431,000 shares	1.97%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	11,419,725 shares	0.79%
STATE STREET BANK WEST CLIENT - TREATY 505234	11,330,363 shares	0.78%

(Note) Treasury shares (30,754,328 shares) are excluded when calculating ownership.

### (5) Other important matters concerning the Company's shares

None.

### 3. Matters concerning the Company's officers

#### (1) Names, etc. of Directors

Directors (excluding Directors who are Audit and Supervisory Committee Members)

Position	Name	Responsibility	Significant concurrent positions outside the Company
Representative Director, Chairman	Seiji Kawabe		
Representative Director, President & CEO	Takahiro Yanai		
Representative Director, Deputy President	Kanji Nishiura	Overall operation	
Director, Deputy President	Kazumi Anei	Head of Business Management Division	
Director, Senior Managing Executive Officer	Satoshi Inoue	Head of Treasury & Accounting Division	
Director, Managing Executive Officer	Haruhiko Sato	Co-head of Corporate & Strategic Planning Division and Co-head of Treasury & Accounting Division	
Director (Outside Director)	Hiroyasu Nakata		Professor, Waseda Law School
Director (Outside Director)	Yuri Sasaki		Dean of Faculty of Economics, Meiji Gakuin University Professor of Faculty of Economics, Meiji Gakuin University
Director (Outside Director)	Mitsumasa Ichio		Executive Vice President, Mitsubishi Corporation
Director (Outside Director)	Go Watanabe		Chairman, MST Insurance Service Co., Ltd.

Directors who are Audit and Supervisory Committee members

Position	Name	Responsibility	Significant concurrent positions outside the Company
Director	Seiichiro Kishino	Full-time Audit and Supervisory Committee member	
Director	Shuji Miake	Chair of Audit and Supervisory Committee Full-time Audit and Supervisory Committee member	
Director (Outside Director)	Teruyuki Minoura		
Director (Outside Director)	Koichiro Hiraiwa		Representative Director, Dream Estate Tokyo Inc.
Director (Outside Director)	Hiroko Kaneko		Professor, Waseda Graduate School of Accountancy Audit & Supervisory Board Member, The Shoko Chukin Bank, Ltd. Director, Kanagawa Chuo Kotsu Co., Ltd. Member of the Board, The Yokohama Rubber Co., Ltd.

(Notes)

- Director Hiroyasu Nakata resigned as Professor at Waseda Law School as of March 31, 2022.
  - Director Yuri Sasaki resigned as Dean of Faculty of Economics, Meiji Gakuin University as of March 31, 2022.
  - Director Mitsumasa Icho resigned as Executive Vice President of Mitsubishi Corporation as of March 31, 2022.
- Directors Hiroyasu Nakata, Yuri Sasaki, Mitsumasa Icho and Go Watanabe, and Directors who are Audit and Supervisory Committee members Teruyuki Minoura, Koichiro Hiraiwa and Hiroko Kaneko are Outside Directors.
- Directors Hiroyasu Nakata and Yuri Sasaki, and Directors who are Audit and Supervisory Committee members Teruyuki Minoura, Koichiro Hiraiwa and Hiroko Kaneko have been reported to the Tokyo Stock Exchange and the Nagoya Stock Exchange as Independent Directors.
- To ensure the effectiveness of audits, the Company has appointed two Directors who are Audit and Supervisory Committee members, Seiichiro Kishino and Shuji Miake, to serve as full-time Audit and Supervisory Committee members.
- Director who is an Audit and Supervisory Committee member Hiroko Kaneko has been involved in accounting audits for many years as a Certified Public Accountant. She is currently a professor at Waseda Graduate School of Accountancy, and possesses considerable knowledge of finance and accounting. In addition, Seiichiro Kishino, Teruyuki Minoura and Koichiro Hiraiwa each has considerable knowledge of corporate management and finance and accounting based on their extensive management experience at listed companies. Shuji Miake has been involved in the business of a company engaged in the financial business for many years and has considerable knowledge of finance and accounting.
- Effective April 1, 2022, the responsibilities of some Directors were changed as follows.

Position	Name	Responsibility	
		After April 1, 2022	March 31, 2022
Director, Deputy President	Kazumi Anei	Customer Solutions Unit	Head of Business Management Division
Director, Managing Executive Officer	Haruhiko Sato	Head of Corporate & Strategic Planning Division Co-head of Treasury & Accounting Division	Co-head of Corporate & Strategic Planning Division Co-head of Treasury & Accounting Division

## **(2) Matters concerning remuneration, etc. of Directors**

### **1) Policy for determining details, amount, and calculation method of officer remuneration, etc. and method of determination**

#### **I Basic policy**

- (i) For the purpose of increasing corporate value through the execution of business strategies, the Company also considers officer incentive when determining officer remuneration.
- (ii) The level of remuneration shall be appropriate for the roles and responsibilities of each officer, taking into consideration the level of the market, from the standpoints of increasing corporate value in the medium to long term and improving business performance in the short term.

In accordance with the above-mentioned basic policy, the Board of Directors of the Company has resolved a policy on determining the content of remuneration, etc. of individual Directors (excluding Directors who are Audit and Supervisory Committee members) as set forth below after providing an explanation to the Governance Committee (attended by Outside Directors [including Directors who are Audit and Supervisory Committee members], the Representative Directors, and Inside Directors designated by the Representative Directors) in advance and receiving advice.

#### **II Policy for determining the details of remuneration, etc. of individual Directors (excluding Directors who are Audit and Supervisory Committee members)**

##### **(i) Remuneration system**

- ✓ In principle, remuneration, etc. for Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee members; the same applies in this item) shall be comprised of basic remuneration (fixed remuneration), annual incentive remuneration (performance-linked remuneration), and medium- to long-term incentive remuneration. Annual incentive remuneration shall be paid in cash as a bonus, and medium- to long-term incentive remuneration shall be paid by allocating share remuneration-type share options.
- ✓ The Company sets percentages for performance-linked remuneration and non-performance-linked remuneration for the purpose of maintaining a healthy ratio of performance-linked remuneration. In addition, in order to improve not only short-term performance but also medium- to long-term corporate value, the Company establishes appropriate short-term and medium- to long-term incentive ratios in the remuneration system.
- ✓ Specifically, the ratio of non-performance-linked remuneration (basic remuneration and share remuneration-type share options) to performance-linked remuneration (bonus) shall be around 1.3 to 0.3 (the ratio of basic remuneration to share remuneration-type share options to bonuses shall be around 1 to 0.3 to 0.3). While maintaining this basic policy, the ratio shall be determined based on a comprehensive consideration of the individual Director's role, responsibilities, etc.

	Type of remuneration	Remuneration ratio	Details of remuneration	Evaluation method, ratio	Range of variation based on KPI achievement
Fixed	Basic remuneration	62.5% 10	1. Monthly payment made based on roles, responsibilities, etc.		
Variable	Bonus (Short-term incentive) Performance-linked	18.75% 3	1. Individual payment amount determined based on the consolidated performance of the previous fiscal year and other factors. 2. The financial indicators, etc. emphasized in the management strategy as indicators representing the Company's growth that are important in management strategy as indicators representing the Company's growth are set as the KPI for evaluating company-wide business performance, and the targets are set according to the Company's numerical targets (net income attributable to owners of the parent, ROE, OHR). 3. To determine the level of achievement of an Executive Director, other than Representative Director, in their assigned duties, a standard evaluation sheet will be used to perform quantitative and qualitative evaluations from the standpoint of performance and contribution of the Executive Director with respect to the operations for which they are responsible.	[Representative Director] Company-wide business performance evaluation: 100% [Executive Director] (Other than Representative Director) Company-wide business performance evaluation: 70% Assigned duty performance evaluation: 30%	0-150%
	Share remuneration-type Share options Medium-to long-term incentive Share remuneration	18.75% 3	1. From the perspective of sharing value with shareholders and improving corporate value over the medium to long term, the Company grants a number of stock acquisition rights calculated based on the share price on the base date. 2. The number of units granted is determined according to the individual's role and position at the beginning of the term of office in June of each year. 3. The exercise period of stock acquisition rights shall be five years from one year after the retirement of the Company's Officers.		

(Note) In addition, in the event that it becomes necessary to reside in an area away from home, an appropriate property shall be provided as company housing

- ✓ For Outside Directors (excluding Directors who are Audit and Supervisory Committee members), from the standpoint of ensuring the effectiveness of the supervisory function, bonuses and share remuneration-type share options, which are incentive remuneration, shall not be paid. Remuneration shall be limited to basic remuneration only.

	Type of remuneration	Remuneration ratio	Details of remuneration
Fixed	Basic remuneration	100%	1. For Outside Directors, from the standpoint of ensuring the effectiveness of the supervisory function, bonuses and share remuneration-type share options, which are incentive remuneration, shall not be paid. Remuneration shall be limited to basic remuneration only

(ii) Performance-linked remuneration

- ✓ From the standpoint of clarifying the relationship between performance and remuneration, the financial indicators, etc. emphasized in the management strategy as indicators representing the Company's growth are set as the KPI for evaluating company-wide business performance when it comes to bonuses, which are performance-linked remuneration. For the target values, net income attributable to owners of the parent, ROE, and OHR are used, which are set according to the Company's numerical targets.
- ✓ The total amount of the bonus for the Representative Director is linked to the company-wide business performance, and the amount to be paid is determined within the range of 0 to 150% of the standard amount according to the degree of achievement of the plan for the company-wide business performance evaluation (KPI).
- ✓ In regard to bonuses for Executive Directors other than the Representative Director, 70% is linked to the company-wide business performance evaluation and 30% is linked to the evaluation of the operations for which the individual Director is responsible, while the amount of both bonuses is determined within the range of 0 to 150% of the standard amount.
- ✓ For the portion linked to operational responsibilities, the President, who is the Representative Director, will use a standard evaluation sheet to perform quantitative and qualitative evaluations from the standpoint of performance and contribution of the Executive Director with respect to the operations for which they are responsible. The purpose of this is to improve the incentive of individual Directors by properly evaluating not only the degree of achievement of targets for business results but also the degree of contribution, which cannot be evaluated solely quantitatively.

(iii) Non-performance-linked remuneration

- ✓ For share remuneration-type share options, which are medium- to long-term incentive remuneration, the number of stock acquisition rights to be allocated is determined and paid according to the role and position of each individual Director.  
(Note) The details of the share options plan are as set forth in "Matters concerning stock acquisition rights, etc." disclosed online.
- ✓ If a Director needs to live in an area far away from his or her home due to a transfer associated with a change in their responsibilities or assigned location, the Company shall provide the Director with an appropriate property as company housing (hereinafter, the difference between the total monthly rent required for the Company to rent the company housing and the total amount of monthly company housing rent collected from the Director is referred to as "non-monetary remuneration for the provision of company housing"). The company housing to be provided shall be a general standard property, and the maximum rent shall be established in advance based on position and geographical area. The company housing rent calculated based on the predetermined percentage (if the maximum rent is exceeded, the full amount of the excess amount is added) shall be collected from the Director as their own expenses.

- (iv) Policy on determining timing or conditions of remuneration, etc.
- ✓ Basic remuneration shall be paid in a fixed monthly amount on the designated day.
  - ✓ Bonuses shall be paid in an amount determined based on the results of the previous fiscal year (April to next March) on or after the date of the Annual General Meeting of Shareholders in June of every year.
  - ✓ For share remuneration-type share options, the number of stock acquisition rights to be allocated to each Director shall be resolved at the meeting of the Board of Directors in June of every year and paid in July (advance payment).
  - ✓ Non-monetary remuneration for the provision of company housing shall be paid monthly in addition to basic remuneration.
- (v) Method of determining remuneration, etc., outline of the Committee's procedures, and description of its activities
- ✓ To ensure transparency and objectivity in determining officer remuneration, etc., it is annually resolved at meetings of the Board of Directors after an explanation is provided to the Governance Committee on the details of remuneration, etc. and the policy for determining remuneration, etc. and advice is received. The Governance Committee also deliberates annually on the appropriateness of the level and composition of remuneration based on remuneration data and other information provided by external professional organizations.
  - ✓ The Remuneration Committee (established on April 1, 2022) shall have a majority of its members as Independent Outside Directors. The members and chairperson of the Committee are selected by the Board of Directors, and the Committee adopts resolutions by a majority of the members present. In addition, the Company's rules stipulate that the Board of Directors shall respect the resolutions of the Committee.
  - ✓ In regard to the amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee members), as set forth in the resolution at the General Meeting of Shareholders (February 26, 2021), the total amount of basic remuneration and bonuses is to be ¥800 million or less per year (¥100 million for Outside Directors), the amount of remuneration, etc. provided in the form of share remuneration-type share options is to be ¥150 million or less per year, and the amount of non-monetary remuneration for the provision of company housing is to be ¥2 million or less per month. The above-mentioned resolution of the General Meeting of Shareholders does not stipulate the number of Directors (excluding Directors who are Audit and Supervisory Committee members) relating to the amount of remuneration, etc., but as of the effective date of the resolution, there were ten Directors (excluding Directors who are Audit and Supervisory Committee members and three of whom were Outside Directors paid only basic remuneration).
  - ✓ The Company believes it is good for the specific amount of basic remuneration and bonuses, as well as non-monetary remuneration for the provision of company housing, to be determined flexibly based on certain standards by someone who is familiar with individual operations and the Company's situation. The decision is thus entrusted to the President & CEO (Takahiro Yanai), who is the Representative Director, within the upper limit set forth by resolution of the General Meeting of Shareholders, based on the policy resolved by the Board of Directors. We will take measures to ensure that the authority of the President &



CEO is appropriately exercised as follows.

- ✓ In regard to share remuneration-type share options, the number of stock acquisition rights to be allocated to each Director is determined by resolution of the Board of Directors.

(vi) Measures to ensure that the delegated authority is properly exercised

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

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

    - After deliberations in advance by the Governance Committee, an evaluation sheet (an evaluation sheet providing details on predetermined targets, weighting of individual targets, and evaluation criteria) is finalized.
    - After the individual duties are evaluated based on the evaluation sheet, the results and amount to be paid are subsequently reported to Outside Directors at the Governance Committee for verification.
  - ✓ The number of share remuneration-type share options to be allocated to each individual is decided by the Board of Directors, and that decision is not to be delegated to a Director or third party.
  - ✓ In regard to non-monetary remuneration for provision of company housing, (a) the company housing to be provided shall be a general standard property, and the maximum rent shall be established in advance based on position and geographical area, while (b) the company housing rent calculated based on the predetermined percentage (if the maximum rent is exceeded, the full amount of the excess amount is added to the rent) shall be collected from the Director as their own expenses.
- (Note) In April 2022, the Company established a new Remuneration Committee, in which Independent Outside Directors account for the majority. Going forward, the Remuneration Committee shall be responsible for deliberations and other matters related to remuneration for executives.

### III Details and method of determining remuneration, etc. of Directors who are Audit and Supervisory Committee members

- ✓ For Directors who are Audit and Supervisory Committee members, from the standpoint of ensuring the fairness of audits, bonuses and share remuneration-type share options, which are incentive remuneration, shall not be paid. Remuneration shall be limited to basic remuneration only.
- ✓ In accordance with the resolution the General Meeting of Shareholders (February 26, 2021), the amount of remuneration for Directors who are Audit and Supervisory Committee members is to be ¥200 million or less per year. The amount of remuneration for Directors who are Audit and Supervisory Committee members is to be determined through discussion by the Audit and Supervisory Committee. The above-mentioned resolution of the General Meeting of Shareholders does not stipulate the number of Directors who are Audit and Supervisory Committee members relating to the amount of remuneration, etc., but as of the effective date of that resolution, there were five Directors who are Audit and Supervisory Committee members.

	Type of remuneration	Remuneration ratio	Details of remuneration
Fixed	Basic remuneration	100%	1. For Directors who are Audit and Supervisory Committee members, from the standpoint of ensuring the fairness of audits, bonuses and share remuneration-type share options, which are incentive remuneration, shall not be paid. Remuneration shall be limited to basic remuneration only.

### IV Matters concerning calculation of performance-linked remuneration

- ✓ Bonuses for Directors (excluding Outside Directors and those who are members of Audit and Supervisory Committee) are performance-linked remuneration. The KPIs for evaluating company-wide business performance are as follows: 1) net income attributable to owners of the parent (weighted at 70%), which is emphasized in the management strategy as one of the indicators of the Company's growth and has been announced as a numerical target for the current fiscal year; 2) ROE (weighted at 15%); and 3) OHR (weighted at 15%). The amount of performance-linked remuneration is calculated using the designated formula based on the achievement rate of the target consolidated net income.
- ✓ The results for the fiscal year ended March 31, 2022 are as follows.

KPI	Target	Result	Achievement rate	Evaluation weight
Net income attributable to owners of the parent	¥95.0 billion	¥99.4 billion	104.6%	70%
ROE	8.0%	8.0%	100.0%	15%
OHR	55.9%	54.6%	102.9%	15%

- ✓ In addition, for the portion linked to operational responsibilities of Executive Directors other than the Representative Director, the President, who is the Representative Director, will use a standard evaluation sheet to perform quantitative and qualitative evaluations from the standpoint of performance and contribution. Performance targets are set based on the environment of the business in charge, the previous year's performance, and other factors

according to the responsibilities of each Director, and evaluations are performed taking into account the respective performance and contribution.

V Reasons for the Board of Directors' determination that the content of individual remuneration of Directors for the fiscal year under review is in line with the policy

- ✓ As stated in the above-mentioned remuneration policy, the specific amount of basic remuneration and bonuses, as well as non-monetary remuneration for the provision of company housing are entrusted to the President & CEO within the upper limit set forth by resolution of the General Meeting of Shareholders. The Company has taken measures as described in the remuneration policy, i.e. "Measures to ensure that the delegated authority is properly exercised." Furthermore, there is a system for the Governance Committee and the Audit and Supervisory Committee to confirm that individual remuneration, etc. for Directors is determined by procedures that are objective and transparent, and that the content is in line with the policy established by the Company. As such, the Board of Directors has determined that a system is in place to ensure that the content of individual remuneration, etc. for each Director for the fiscal year under review is in line with the remuneration policy.

2) Total amount of remuneration, etc. by officer category, total amount of remuneration, etc. by type, and number of eligible officers

Category	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration, etc. by type (millions of yen)				Number of people
		Fixed remuneration (Basic remuneration)	Performance-linked remuneration (Bonus)	Share options	Other	
Directors (excluding Audit and Supervisory Committee members)	563	378	96	89	—	11
Of these, Outside Directors	49	49	—	—	—	4
Directors (Audit and Supervisory Committee members)	133	133	—	—	—	5
Of these, Outside Audit & Supervisory Board Members	46	46	—	—	—	3
Total	697	511	96	89	—	16

(Notes) 1. The amount of performance-linked remuneration (bonus) is the amount of reversal of provision for bonuses for directors (and other officers) for the fiscal year under review.

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

### (3) Overview of limited liability agreements

The Company has entered into limited liability agreements with non-Executive Directors (Outside Directors and Audit and Supervisory Committee members), namely Hiroyasu Nakata, Yuri Sasaki, Mitsumasa Icho, Go Watanabe, Seiichiro Kishino, Shuji Miake, Teruyuki Minoura, Koichiro Hiraiwa, and Hiroko Kaneko, as described below.

- In the event that a non-executive Director is liable to the Company as a result of negligence in their duties, that liability shall be limited to the minimum liability set forth in Article 425, Paragraph 1 of the Companies Act.
- The above limitation is recognized only when the non-executive Director performed the duty in question in good faith and without gross negligence.

### (4) Matters concerning directors and officers liability insurance agreement

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

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

The insureds under this agreement are the Directors, Directors who are Audit and Supervisory Committee members, Audit & Supervisory Board Members, and Executive Officers of the Company and its 40 subsidiaries in Japan. There is no insurance premium to be paid by the insureds.

### (5) Matters concerning Outside Director

- 1) Concurrent positions of executive Directors, etc. at other corporations, etc. and the Company's relationships to those corporations, etc.

Category	Name	Other corporation	Concurrent position	Relationship to the other corporation, etc.
Director	Mitsumasa Icho	Mitsubishi Corporation	Executive Vice President	There is a trade relationship such as lease agreements between the Company and Mitsubishi Corporation. Mitsubishi Corporation is a major shareholder of the Company.
Director	Go Watanabe	MST Insurance Service Co., Ltd.	Chairman	There is a trade relationship such as lease agreements between the Company and MST Insurance Service Co., Ltd.
Director (Audit and Supervisory Committee member)	Koichiro Hiraiwa	Dream Estate Tokyo Inc.	Representative Director	There is no significant trade or other relationship between the Company and Dream Estate Tokyo Inc.

2) Concurrent positions of Outside Officers at other corporations, etc. and the Company's relationships to those other corporations, etc.

Category	Name	Other corporation	Concurrent position	Relationship to the other corporation, etc.
Director (Audit and Supervisory Committee member)	Hiroko Kaneko	The Shoko Chukin Bank, Ltd.	External Audit & Supervisory Board Member	There is no significant trade or other relationship between the Company and The Shoko Chukin Bank, Ltd.
		Kanagawa Chuo Kotsu Co., Ltd.	Outside Director	There is no significant trade or other relationship between the Company and Kanagawa Chuo Kotsu Co., Ltd.
		The Yokohama Rubber Co., Ltd.	Member of the Board (Outside)	There is a trade relationship such as lease agreements between the Company and The Yokohama Rubber Co., Ltd.

### 3) Main activities

Category	Name	Attendance at meetings	Main activities
Director	Hiroyasu Nakata	Board of Directors meetings: 12/14 Governance Committee meetings: 5/6	Leveraging his academic knowledge and wealth of expertise as a university professor, Hiroyasu Nakata provides comments as necessary and appropriate as a legal expert when proposals are discussed. In so doing, he contributes to proper decision-making by the Board of Directors, etc. and supervision of management in general.
Director	Yuri Sasaki	Board of Directors meetings: 14/14 Governance Committee meetings: 6/6	Leveraging her academic knowledge as a university professor, Yuri Sasaki provides comments as necessary and appropriate when proposals are discussed based on her exceptional knowledge and abundant experience as a researcher on international finance. In so doing, she contributes to proper decision-making by the Board of Directors, etc. and supervision of management in general.
Director	Mitsumasa Icho	Board of Directors meetings: 14/14 Governance Committee meetings: 6/6	Leveraging his extensive management experience and high level of insight into finance from working at a leading Japanese general trading company, Mitsumasa Icho provides comments as necessary and appropriate from a practical standpoint when proposals are discussed. In so doing, he contributes to proper decision-making by the Board of Directors, etc. and supervision of management in general.
Director	Go Watanabe	Board of Directors meetings: 9/9 Governance Committee meetings: 4/4	Leveraging his extensive management experience and high level of insight into internal and external finance from working at leading Japanese financial institution and manufacturer, Go Watanabe provides comments as necessary and appropriate from a practical standpoint when proposals are discussed. In so doing, he contributes to proper decision-making by the Board of Directors, etc. and supervision of management in general.
Director (Audit and Supervisory Committee member)	Teruyuki Minoura	Board of Directors meetings: 14/14 Audit and Supervisory Committee meetings: 12/12 Governance Committee meetings: 6/6	Leveraging his extensive management experience and expertise from a leading Japanese manufacturer, Teruyuki Minoura conducts audits from a neutral and objective standpoint and provides comments as necessary and appropriate when proposals are discussed. In so doing, he contributes to ensuring the soundness of the Company's management.
Director (Audit and Supervisory Committee member)	Koichiro Hiraiwa	Board of Directors meetings: 14/14 Audit and Supervisory Committee meetings: 12/12 Governance Committee meetings: 6/6	Leveraging his experience with Japan's central bank and a leading Japanese telecommunications company, as well as his extensive expertise in managing major hotels, Koichiro Hiraiwa conducts audits from a neutral and objective standpoint and provides comments as necessary and appropriate when proposals are discussed. In so doing, he contributes to ensuring the soundness of the Company's management.
Director (Audit and Supervisory Committee member)	Hiroko Kaneko	Board of Directors meetings: 13/14 Audit and Supervisory Committee meetings: 12/12 Governance Committee meetings: 6/6	Leveraging her vast experience at a leading auditing firm and as a university professor, as well as her in-depth knowledge as an accounting expert, Hiroko Kaneko conducts audits from a neutral and objective standpoint and provides comments as necessary and appropriate when proposals are discussed. In so doing, she contributes to ensuring the soundness of the Company's management.

#### **4. Policy on determining dividends of surplus, etc.**

The Company has pursued its basic policy of returning profits to shareholders through dividends and we have increased dividends for 23 consecutive terms.

The medium-term Expected Target of the dividend payout ratio will be considered in the formulation of the Medium-term Management Plan for the three-year period beginning in fiscal 2023 (the fiscal year ending March 31, 2024). At the present time, the Expected Target is approximately 40% (fiscal year ending March 31, 2024 to fiscal year ending March 31, 2026).

**Consolidated Balance Sheet**  
(As of March 31, 2022)

(Millions of yen)

<b>Assets</b>		<b>Liabilities</b>	
Accounting title	Amount	Accounting title	Amount
<b>Current assets</b>		<b>Current liabilities</b>	
Cash and deposits	540,942	Notes and accounts payable - trade	184,042
Installment receivables	255,143	Short-term borrowings	591,431
Lease receivables and investments in leases	3,265,267	Current portion of bonds payable	443,647
Operating loans receivables	1,662,226	Current portion of long-term borrowings	810,475
Other operating loans receivable	183,749	Commercial papers	682,593
Lease and other receivables	80,382	Current maturities of loans from the securitizations of the minimum future rentals on lease contracts	247,900
Securities	2,019	Lease obligations	21,676
Merchandise	48,242	Income taxes payable	24,818
Other current assets	156,006	Deferred profit on installment sales	11,110
Allowance for doubtful accounts	(22,657)	Provision for bonuses	14,685
Total current assets	6,171,321	Provision for bonuses for directors (and other officers)	2,535
<b>Non-current assets</b>		Other current liabilities	200,425
Property, plant and equipment		Total current liabilities	3,235,343
Leased assets		<b>Non-current liabilities</b>	
Leased assets	3,086,149	Bonds payable	1,820,244
Advances on purchases of leased assets	34,622	Long-term borrowings	3,113,196
Total leased assets	3,120,771	Loans from the securitizations of the minimum future rentals on lease contracts, less current maturities	356,592
Other operating assets	222,654	Lease obligations	53,331
Own-used assets	13,782	Deferred tax liabilities	108,580
Total property, plant and equipment	3,357,208	Provision for retirement benefits for directors (and other officers)	136
Intangible assets		Retirement benefit liability	8,856
Leased assets		Asset retirement obligations	40,431
Leased assets	39,495	Reserve for contract of insurance	11,148
Total leased assets	39,495	Other non-current liabilities	247,542
Other intangible assets		Total non-current liabilities	5,760,061
Goodwill	90,326	<b>Total liabilities</b>	8,995,404
Other	137,819	<b>Equity</b>	
Total other intangible assets	228,145	<b>Shareholders' equity</b>	
Total intangible assets	267,641	Share capital	33,196
Investments and other assets		Capital surplus	548,586
Investment securities	376,645	Retained earnings	638,043
Distressed receivables	108,188	Treasury shares	(19,369)
Deferred tax assets	38,137	Total shareholders' equity	1,200,456
Other investments and other assets	81,728	<b>Accumulated other comprehensive income</b>	
Allowance for doubtful accounts	(76,791)	Valuation difference on available-for-sale securities	14,953
Total investments and other assets	527,908	Deferred gains or losses on hedges	1,460
Total non-current assets	4,152,758	Foreign currency translation adjustment	92,776
Deferred assets		Remeasurements of defined benefit plans	123
Bond issuance costs	4,791	Total accumulated other comprehensive income	109,313
Total deferred assets	4,791	Stock acquisition rights	1,861
		Non-controlling interests	21,835
		<b>Total equity</b>	1,333,467
<b>Total assets</b>	10,328,872	<b>Total liabilities and equity</b>	10,328,872



**Consolidated Statement of Income**  
(April 1, 2021 to March 31, 2022)

(Millions of yen)

Accounting title	Amount	
Revenues		1,765,559
Cost of revenues		1,430,898
Gross profit		334,661
Selling, general and administrative expenses		220,569
Operating income		114,092
Non-operating income		
Interest and dividend income	2,988	
Share of profit of entities accounted for using equity method	4,818	
Other non-operating income	7,822	15,629
Non-operating expenses		
Interest expenses	5,878	
Other non-operating expenses	6,603	12,482
Recurring income		117,239
Extraordinary income		
Gain on sale of investment securities	29,967	
Gain on bargain purchase	431	30,399
Extraordinary losses		
Loss on sale of investment securities	114	
Loss on step acquisitions	273	388
Income before income taxes		147,250
Income taxes - current	38,807	
Income taxes - deferred	7,088	45,896
Net income		101,354
Net income attributable to non-controlling interests		1,953
Net income attributable to owners of the parent		99,401

**Non-consolidated Balance Sheet**  
(As of March 31, 2022)

(Millions of yen)

<b>Assets</b>		<b>Liabilities</b>	
Accounting title	Amount	Accounting title	Amount
<b>Current assets</b>		<b>Current liabilities</b>	
Cash and deposits	249,111	Notes payable - trade	2,936
Installment receivables	168,562	Accounts payable - trade	108,129
Lease receivables	284,560	Short-term borrowings	235,222
Investments in leases	1,350,461	Current portion of bonds payable	307,395
Operating loans receivables	279,245	Current portion of long-term borrowings	394,879
Loans receivable from subsidiaries and associates	1,447,208	Commercial papers	570,000
Other operating loans receivable	61,241	Current maturities of loans from the securitizations of the minimum future rentals on lease contracts	76,541
Lease and other receivables	16,807	Lease obligations	19,884
Securities	1,419	Accounts payable - other	7,278
Merchandise	1,096	Income taxes payable	12,575
Advance payments to suppliers	9,568	Accrued expenses	18,634
Prepaid expenses	3,623	Advances received - lease	34,179
Other current assets	26,437	Deposits received	9,953
Allowance for doubtful accounts	(4,792)	Unearned revenue	3
Total current assets	3,894,552	Deferred profit on installment sales	8,263
<b>Non-current assets</b>		Provision for bonuses	3,820
Property, plant and equipment		Provision for bonuses for directors (and other officers)	468
Leased assets		Asset retirement obligations	2,419
Leased assets	215,768	Other current liabilities	11,067
Total leased assets	215,768	Total current liabilities	1,823,651
Own-used assets		<b>Non-current liabilities</b>	
Buildings	627	Bonds payable	1,252,487
Structures	8	Long-term borrowings	1,576,062
Equipment	1,031	Loans from the securitizations of the minimum future rentals on lease contracts, less current maturities	36,353
Land	678	Lease obligations	45,539
Total own-used assets	2,347	Long-term guarantee deposits received	59,329
Total property, plant and equipment	218,115	Provision for retirement benefits	3,612
Intangible assets		Asset retirement obligations	18,897
Leased assets		Other non-current liabilities	3,487
Leased assets	38,666	Total non-current liabilities	2,995,772
Total leased assets	38,666	<b>Total liabilities</b>	4,819,424
Other intangible assets		<b>Equity</b>	
Goodwill	10,587	<b>Shareholders' equity</b>	
Other	9,397	Share capital	33,196
Total other intangible assets	19,984	Capital surplus	
Total intangible assets	58,650	Legal capital surplus	33,802
Investments and other assets		Other capital surplus	509,158
Investment securities	120,232	Total capital surplus	542,960
Shares of subsidiaries and associates	1,142,576	Retained earnings	
Investments in other securities of subsidiaries and associates	188,484	Legal retained earnings	638
Investments in capital	0	Other retained earnings	350,009
Distressed receivables	19,957	General reserve	72,035
Long-term prepaid expenses	11,611	Retained earnings brought forward	277,974
Long-term guarantee deposits	15,063	Total retained earnings	350,647
Deferred tax assets	39,750	Treasury shares	(19,369)
Other investments and other assets	2,615	Total shareholders' equity	907,435
Allowance for doubtful accounts	(15,443)	Valuation and translation adjustments	
Total investments and other assets	1,524,849	Valuation difference on available-for-sale securities	11,979
Total non-current assets	1,801,616	Deferred gains or losses on hedges	(40,675)
Deferred assets		Total valuation and translation adjustments	(28,696)
Bond issuance costs	3,856	Stock acquisition rights	1,861
Total deferred assets	3,856	<b>Total equity</b>	880,601
<b>Total assets</b>	5,700,025	<b>Total liabilities and equity</b>	5,700,025

**Non-consolidated Statement of Income**  
(April 1, 2021 to March 31, 2022)

(Millions of yen)

Accounting title	Amount	
Revenues		
Lease sales	727,217	
Installment sales	61,507	
Revenue - operating loans	26,252	
Other revenues	23,498	838,475
Cost of revenues		
Lease costs	668,901	
Installment costs	57,884	
Capital costs	17,816	
Other cost of sales	7,885	752,487
Gross profit		85,987
Selling, general and administrative expenses		67,916
Operating income		18,071
Non-operating income		
Interest and dividend income	33,174	
Other non-operating income	6,788	39,962
Non-operating expenses		
Interest expenses	18,808	
Other non-operating expenses	5,217	24,025
Recurring income		34,008
Extraordinary income		
Gain on sale of investment securities	29,728	
Gain on sale of investments in other securities of subsidiaries and associates	239	
Gain on bargain purchase	222	30,189
Extraordinary losses		
Loss on sale of investment securities	108	108
Income before income taxes		64,089
Income taxes - current	16,556	
Income taxes - deferred	(4,050)	12,505
Net income		51,584