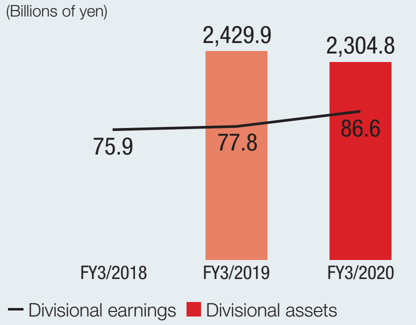
The Mitsubishi UFJ Lease & Finance Group by Business Division

Customer Business

Divisional Earnings*1 / Divisional Assets*2 *3 (Customer Business)



*1 Gross profit (prior to allocation of financial expenses) plus equity-method earnings and dividend income
*2 Operating assets plus equity-method investments. Disclosure of divisional assets started with the announcement of financial results in fiscal 2019
*3 Due to a change in the definition of operating assets from the first quarter of fiscal 2020, figures for divisional assets presented here differ from those in "FY3/2020 Results," the financial summary for fiscal 2019

Divisional earnings for Customer Business for fiscal 2019 rose ¥8.7 billion year on year, to ¥86.6 billion, due to the inclusion of profits and losses of ENGS Holdings Inc. (ENGS), which became a consolidated subsidiary in fiscal 2018, as well as to the growth of existing overseas business bases. Conversely, divisional assets decreased ¥125.0 billion year on year, to ¥2,304.8 billion, due to the impact of deconsolidating an affiliated company.

	Major Achievements of Previous Medium-Term Management Plan (fiscal 2017–fiscal 2019)	Major Goals of New Medium-Term Management Plan (fiscal 2020–fiscal 2022)
Domestic	• Progress made by Sector Business Departments in collaborative efforts with partner companies. Efficiency promoted by Area Business Departments and Branches by clarifying operational functions • Reorganized domestic Group companies	• Optimize asset portfolio in existing businesses by gradually decreasing proportion of less profitable assets, such as loans and installment sales, and replacing them with more profitable assets in growth areas • Refine sector-specific strategies in growth areas to accelerate creation of collaborative businesses with leading companies aimed at creating demand
Overseas	• Increased business with local and multinational companies while maintaining business with Japan-affiliated bases • Acquired ENGS Holdings Inc. in U.S. and established automobile auction joint venture in Indonesia with PT. Blue Bird Tbk.	• Enhance efficiency of existing businesses by digitalizing operations, reviewing scope of duties at each business base, and taking other measures • Promote efforts by ENGS Holdings Inc. centered on vendor financing, an important industry pivot point • Open up business in emerging countries by collaborating with local partners

Domestic Customer Business

We operate sector business departments that utilize their knowledge and expertise in specific industries to provide asset utilization value for large companies, in addition to existing financing services. We also operate area business departments that propose solutions to a variety of issues based on the characteristics of a given region as well as domestic Group companies that, among other activities, provide PC rental and security services, conduct sales of used equipment, and store customer inventory. As a result, we are able to provide customers across Japan with optimal solutions utilizing all of the Group's functions.

Kazuhiko Takeuchi
Managing Executive Officer
in charge of Corporate Center

Fiscal 2019 in Review

In sector business departments, we shifted our business model away from sales of goods, in which partner companies manufacture and sell products, to sales of services, which involve the provision of subscription, sharing, and other services. During this transition, we worked to create collaborative businesses that could take advantage of our unique asset and business risk-taking capabilities while also providing financing as asset holders.

We divided our area business departments and branches into three groups: a group of area businesses handling companies in metropolitan areas, a group of area businesses that focuses on machinery for the manufacturing industry and which handles manufacturers dealing with automobiles and other fields, and group area businesses responsible for large territories. By grouping our area business departments and branches and clarifying their respective roles, we realized more efficient business development.

The group of area businesses in charge of companies in metropolitan areas worked to maintain and increase profits derived from financing activities and cooperated with the Sector Business Departments to upgrade its comprehensive finance solutions. In addition, the group of machinery-focused area businesses strengthened its asset finance business, which is rooted in machine tools. Finally, the group of area businesses that handles large territories focuses on the characteristics of each assigned area and pursues an efficient business model utilizing appropriate channels of information and resources, among others.

We restructured domestic Group companies from the perspective of increasing profitability and growth and in relation to Groupwide strategy. We were able to achieve results in terms of striking a balance between top-line management and efficient management, the basic policy of the previous Medium-term Management Plan, making for a fruitful three years.

Business Strategy of New Medium-Term Management Plan

To increase profitability and improve ROA, we will work to optimize our asset portfolio by reducing assets with relatively low profitability, such as installments and loans, over time when there is no prospect of secondary profits through re-leasing or other means. At the same time, we will incorporate collaborative businesses with leading companies and other assets with high profitability as a means to enter growth areas. For the above to occur, we are going to further strengthen the industry-specific nature of our sector business departments in a move to refine our sector strategy. Doing so will allow us to establish multiple collaborative businesses aimed at creating demand, made possible by working with leading companies in each respective sector to provide financing services and increase asset utilization value, while also enabling us to accumulate superior assets. We will also bring greater clarity to the roles of our area business departments and branches, adding a group of area businesses centered on large companies to our existing three groups, and develop a full range of financial solutions rooted in value for our customers.

With our eyes on life with and after COVID-19, we are pursuing an effective, non-face-to-face business model and facilitating dealings with a wider range of customers than ever before.

Overseas Customer Business

We leverage our global network, which extends to the Americas, Asia, and Europe, to provide a variety of solutions to local, international, and multinational companies, with services attuned to the needs of each country and region.

Yasuyuki Hirota
Managing Executive Officer
in charge of Corporate Center

Fiscal 2019 in Review

The Overseas Customer Business provides a variety of solutions to local, international, and multinational companies, with an emphasis on North America and Asia.

As part of our strategic investments, we acquired all shares in ENGS Holdings Inc. (ENGS), a U.S.-based company that provides vendor finance solutions for trucks and trailers, machine tools, and construction equipment, in December 2018. With the addition of ENGS to the Group, we were able to leverage strategic investments to achieve our goal of improving our top line, with the company being a factor in our exceeding our divisional earnings goals.

In May 2019, we established joint venture PT. Balai Lelang Caready with PT. Blue Bird Tbk., the largest taxi operating company in Indonesia, to both strengthen the value chain in the automobile sector and further expand our leasing business in the country. In July of that same year, we invested in GOJEK, the leading digital platform provider in Southeast Asia, a step toward gathering knowledge and expertise in the mobility and digital fields.

Business Strategy of New Medium-Term Management Plan

We intend to leverage the Overseas Customer Business to improve profitability as we respond to challenges facing our customers and society. Specifically, in North America and Asia, where the population is expected to grow, we will expand product development with a greater emphasis on customer needs. We also plan to increase profitability by implementing risk control and increasing asset efficiency through our asset-turnover businesses and other means.

At existing overseas business bases, we will establish country-specific strategies and promote focused operations and product reviews and optimization. We will also advance vendor financing with ENGS, concentrating on transportation, manufacturing, and construction as important industry pivot points. In addition, we will invest in VietinBank Leasing Company Limited, a major leasing company based in Vietnam, to mark our full-scale entry into the Vietnamese market. Going forward, we will continue to develop markets by collaborating with local partners in rapidly growing emerging countries.

Area Company / Machinery Business Company

As a vital foundational business for the Group, the Domestic Customer Business works in collaboration with each business division and the Overseas Customer Business while offering various functions to customers. The Group's business bases and Group companies, located all over the world, work closely with each other to share information and knowledge and operate businesses from the perspective of creating value for customers and eschewing conventional ideas to create and actualize new business models with added value.

Area Company

Sector Business Departments

With the operational support they receive through their ties with the Project Acceleration Department and other departments, coupled with the sector-specific knowledge that has been accumulated and enhanced by clarifying the divisions between each sector in charge, our sector business departments are working on project financing, equity transactions, and other highly difficult projects. To actualize collaborative businesses with large international companies, we are taking actions that include working with the Mitsubishi Financial Group and other entities to evaluate businesses via a hitherto unused approach. This allows us to build highly competitive collaborative businesses while realizing a business model that fuses finance with business.

<Specified Sectors>
Automobile and auto parts manufacturers
General trading companies (Mitsubishi Corporation)
Telecommunications and electronics
Living and services (logistics, transportation, real estate, construction, retail, service, food and dining)

Area Business Departments and Branches

Our area business departments and branches engage in strategic operations as a group of financial professionals, working in line with the characteristics of their respective locations and drawing from the strong customer base that we have cultivated over many years. In recent times, we have also been promoting efficient operations by consolidating business bases and introducing IT and digital tools and utilizing the time freed up by these efforts to identify solutions that can meet customer needs more effectively than ever before. We are systematically linking a wide range of information from across the Company, collected from our area business departments and branches through close communication with long-standing and familiar customers.

<Groupings of Area Business Departments and Branches>
Area business group centered on large companies
Area business group that serves metropolitan areas
Area business group focused on machinery in the manufacturing industry
Area business group that serves large territories

Machinery Business Company

Industrial Machinery Department

We provide leasing and financing services for semiconductor manufacturing equipment as well as remarketing services for customers active in the electronics industry in Japan and overseas. We also utilize our many strategic partners and trading bases, in addition to the specialized knowledge and expertise we have accumulated to date, to plan new businesses and products that will accurately capture market demand.

Machinery Business Department

We conduct business focused on the property value of items such as machine tools, injection molding machines, and paper manufacturing tools for customers in the metal processing industry, the plastic processing industry, and the paper manufacturing industry, with locations in Tokyo, Nagoya, and Osaka. In addition to regular finance leasing, we offer a variety of services such as machine tool speed leasing* and property trade-in assessments through our Group companies.

* A service that features faster screening and contracting procedures for machine tools for customers considering capital investments, applicable to property for large major manufacturers

Vendor Lease Department

We partner with supplier companies in a variety of industries to support capital investments for condominium management associations, small and medium-sized companies, and sole proprietors. Every year, the sales methods and customer needs of domestic and overseas manufacturers and sales companies become more diverse. However, we are able to confirm real issues through careful communication and take advantage of our unique risk-taking capabilities to create business opportunities and expand business areas.

Area Company Strategy

Sector Business Departments	Create collaborative businesses aimed at profit growth by refining sector strategies Develop a new business model with high added value to capitalize on opportunities for revenue growth (providing financing related to subscription and sharing services plus incorporating businesses that provide asset utilization value and functions)

Cooperation (information and knowledge sharing)

Each Business Division	Cooperate with each Business Division by understanding customer needs

Area Business Departments and Branches (Maximum Output with Limited Resources)	
Area business group centered on large companies, Area business group that serves metropolitan areas	Provide comprehensive finance solutions beyond leasing, loans, and installment sales that meet customer needs, such as asset and project financing
Area business group focused on machinery in the manufacturing industry	Offer asset financing that relies on asset value, centered on automobile-related companies
Area business group that serves large territories	Promote MUL Group functions via an efficient remote business model that utilizes local financial institutions and other channels


Takeo Nakai
Managing Executive Officer
Head of the East Japan Area Company


Hiroshi Mii
Managing Executive Officer
Head of the Central Japan Area Company


Hiroshi Nishikita
Managing Executive Officer
Head of the West Japan Area Company


Masashi Nakano
Managing Executive Officer
Head of Machinery Business Company

Provision of Services Based on Asset Value

The Machinery Business Company aims to improve profitability by shifting away from conventional corporate finance—the profit base for the Domestic Customer Business—to businesses that rely on asset value. We have been gathering data on the secondhand value of various types of equipment as part of our business to date, and now we are able to accurately determine the current value of an asset. In a conventional contract under which an asset is leased to a customer (a company), depending on the customer's situation, there are cases where the contract cannot be finalized from the perspective of risk. However, instead of limiting ourselves to a one-asset-per-one-customer approach, we can provide services that consider the entire life cycle of an asset to multiple customers by accurately ascertaining the secondhand value of an asset once its leasing contract is completed and re-leasing that asset to a customer who can bring out that value. By doing so, I believe we can create new business opportunities.

Over the course of the New Medium-term Management Plan, we aim to expand our business by providing services that cover an asset's entire life cycle, from sales and maintenance to dismantling and disposal or resale. Going forward, we will share information more thoroughly between U-MACHINE Inc., which has long been involved in the purchase and sale of machine tools and boasts a top-class track record, the Machinery Business Department, which focuses on financing for machine tools and construction machines, and the Industrial Machinery Department, which concentrates on financing for semiconductor manufacturing equipment and used trading, while working to enhance our business model further.

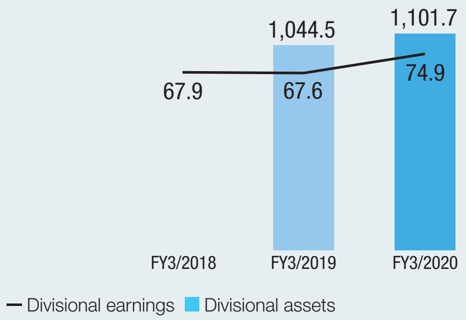
Aviation Business Division

We provide a wide variety of services including aircraft and aircraft engine leasing, engine parts-out, and Japanese Operating Leases (JOL).

Osamu Muramoto
Managing Executive Officer
Global Head of Aviation Business Division

Divisional Earnings / Divisional Assets

(Billions of yen)



	Major Achievements of Previous Medium-Term Management Plan (fiscal 2017–fiscal 2019)	Major Goals of New Medium-Term Management Plan (fiscal 2020–fiscal 2022)
Aviation Business Division	• Strengthened unified management of the Aviation Business Division • Diversified origination channels of aircraft and engine transactions (direct orders to manufacturers, etc.) • Succeeded in cultivating new top-tier airline customers for JOL • Invested in INAV Group, LLC (INAV), a U.S.-based aircraft engine parts-out company • Diversified foreign-currency financing (issuance of private-placement bonds)	• Maintain and grow a quality aircraft and engine lease portfolio including via portfolio acquisitions • Expand business scale and capabilities by partnering up with the U.S. and European investors • Capitalize on the JOL expertise and investor base to develop and offer products and services

Principal Companies

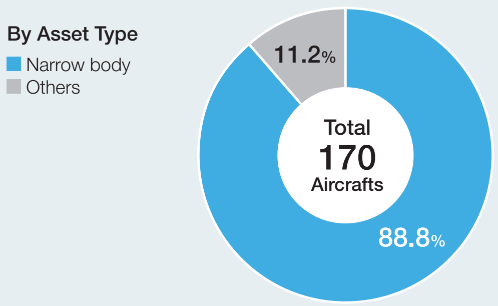
Company	Ownership Ratio*	Main business
MUL (Aviation Business Department)	–	Japanese operating lease
Jackson Square Aviation (JSA)	100.0%	Aircraft leasing
Engine Lease Finance (ELF)	100.0%	Aircraft engine leasing, parts-out

* Includes indirect ownership portions

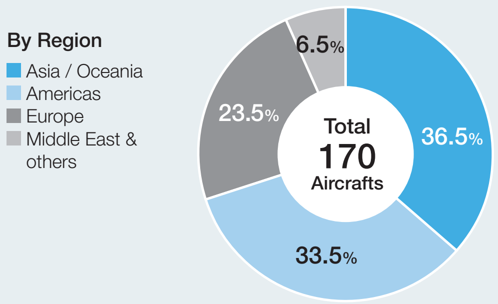
Owned Aircraft by Types and Regions

(FY3/2020)

By Asset Type

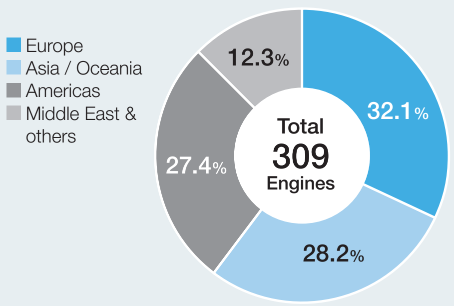


By Region



Owned Engines by Regions

(FY3/2020)



Fiscal 2019 in Review

Divisional earnings for fiscal 2019 rose ¥7.2 billion year on year, to ¥74.9 billion, mainly due to an increase in aircraft and engine leasing and trading revenues. In addition, divisional assets increased ¥57.1 billion year on year, to ¥1,101.7 billion.

While the spread of COVID-19 brought major changes to the Company's surrounding operating environment from February 2020 onward, the fiscal year as a whole presented a good market environment overall. As a result, the Aviation Business Division was able to achieve its targets.

In aircraft leasing, we succeeded in building quality aircraft assets, in spite of the grounding of Boeing 737 Max 8. Aircraft engine leasing saw profit growth by maintaining a high asset utilization rate. JOL has been building excellent strategic projects, and entered into a leasing deal with a new airline company. Overall, it was a good fiscal year for the division, both in financial results and in quality of business.

Over the course of the previous Medium-term Management Plan, streamlining of aircraft and engine leasing, parts-out and JOL businesses managed all under the same Division strengthened the group capabilities as a whole by offering a wide range of products and services. Particularly, our investments in the parts-out company INAV gave us the ability to better grasp the appropriate exit timings of engines, further diversifying and maximizing revenue opportunities for the Group.

We have also built strong relationship with the manufacturers by placing direct orders with them as a part of our aircraft and engine transaction origination strategy.

Business Strategy of New Medium-Term Management Plan

As COVID-19 sends the aviation industry into an unprecedented phase, we believe it is paramount that we provide services and take swift actions that address customers' situations. Looking back to the past, the aviation industry has historically been a cyclical industry. However, the aircraft and engine assets have long economic lives, calling for management with a medium- to long-term perspective. Therefore, in the New Medium-term Management Plan, we plan to expand our portfolio size and increase profitability through continuous and selective acquisitions primarily consisting of sale-and-leasebacks* amounting to 10 to 15 aircraft a year and approximately $300 million engines a year., Simultaneously, from the risk and portfolio management perspective, we will continue to focus on managing narrow-body aircraft and engines that have high market demands and marketability to maintain a portfolio that is top-tier quality in the industry. In promoting our strategy, we will further strengthen our relationships with aircraft and engine manufacturers and further expand our European and American institutional investor base and as well as our investor base in Japan.

In addition, over the course of the previous Medium-term Management Plan, we embarked on a limited partnership for investing in a venture capital fund with a view to developing businesses in the aerospace sector. As a part of the New Medium-term Management Plan, we will undertake to develop the business and capitalize on opportunities with the next decade in perspective as we recognize the accelerated pace of digitization and utilization of next generation technologies.

By strengthening and leveraging on our integrated Group capabilities, we will continue diversifying divisional revenue sources and dimensions, thereby contributing to the Group's financial growth.

* A form of transaction where an aircraft is purchased from an airline customer, then leases that same aircraft back to the same airline.

The Mitsubishi UFJ Lease & Finance Group by Business Division

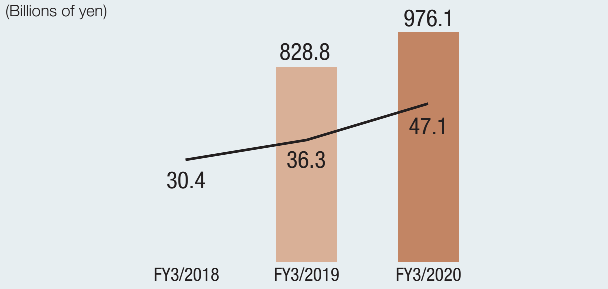
Real Estate Business Division

We offer a wide range of services, including real estate leasing for construction and the leasing out of properties according to customer specifications, in addition to securitization financing for offices, commercial facilities, residences, logistics facilities, and other profit-generating real estate. Moreover, we take a hands-on approach to real estate revitalization investment that aims to raise the value of aged buildings, and real estate asset management covering private REITs.

Yasushi Okahisa
Managing Executive Officer
Head of Real Estate Business Division

Divisional Earnings / Divisional Assets

(Billions of yen)



Principal Companies

Company	Ownership Ratio*	Main Business
MUL (Real Estate Business Department)	–	Real estate finance
MUL Property (MULP)	100.0%	Real estate lease
MUL Realty Investment (MURI)	100.0%	Real estate revitalization investment
MUL Realty Investments (MRI)	100.0%	Overseas real estate finance
Diamond Asset Finance (DAF)	100.0%	Real estate rental and other real estate finance
Miyuki Building	98.3%	Real estate rental
MUL Realty Advisers Company (MURA)	66.6%	Real estate asset management
Center Point Development (CPD)	33.4%	Asset management services for logistics real estate

* Includes indirect ownership portions

Amount of Equity Contribution for Real Estate Financing*1*2

(Billions of yen)

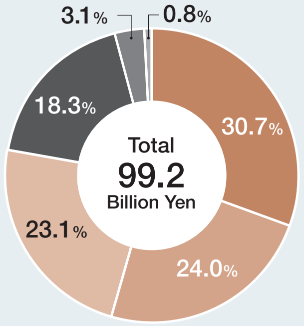
	FY3/2019	FY3/2020	Change from FY3/2019
Total	92.9	99.2	+6.3
Domestic securitization finance	31.9	32.3	+0.3
Real estate revitalization investment	60.9	66.9	+6.0

	Major Achievements of Previous Medium-Term Management Plan (fiscal 2017–fiscal 2019)	Major Goals of New Medium-Term Management Plan (fiscal 2020–fiscal 2022)
Real Estate Business Division	• Reinforced real estate revitalization business • Expanded asset management business • Increased investment in logistics development • Engaged in full-scale operations of securitization finance business	• Improve profitability of finance business in Japan • Expand real estate securitization finance business overseas • Enhance all of the functions of the real estate investment business, from investment to asset management

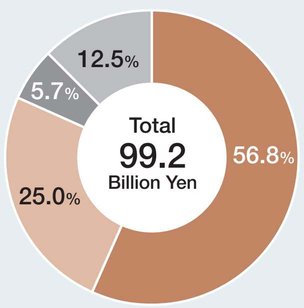
Ratio of Amount of Equity Contribution for Real Estate Financing*1*2

(FY3/2020)

By Asset Type



By Region



*1 Management accounting value (total equity contribution value in domestic securitization financing and real estate revitalization investment) does not match equity among divisional assets as some investments were turned into consolidated subsidiaries with investments and capital being offset and eliminated in financial accounting processes.
*2 Divisional assets corresponding to domestic securitization finance amounted to 31.8 billion for FY3/2019 and 40.7 billion for FY3/2020 while those corresponding to real estate revitalization investment came to ¥111.1 billion for FY3/2019 and 170.3 billion for FY3/2020.

Fiscal 2019 in Review

Divisional earnings for fiscal 2019 increased ¥10.8 billion year on year, to ¥47.1 billion, mainly due to an increase in revenue from real estate sales owing to the development of the asset-revolving business. Furthermore, divisional assets increased ¥147.3 billion year on year, to ¥976.1 billion, due to the solid performance of new transactions for real estate revitalization investment, securitization finance, and real estate leasing.

In the previous Medium-term Management Plan, we promoted two main courses of action in order to respond to volatility in the real estate market. The first course of action was reinforcing the real estate revitalization business. The Mitsubishi UFJ Lease & Finance Group has been engaged in the real estate revitalization business since 2016, leveraging the knowledge gained from real estate leasing and securitization finance. When conducting hands-on investment of the kind that goes into real estate revitalization business operations, it is important to strengthen organizational aspects, such as the cultivation of human resources and accumulation of operational expertise. Over the three years of the previous Medium-term Management Plan we steadily posted achievements, and saw many projects through to their conclusion in fiscal 2019, making a significant contribution to revenue and resulting in real estate revitalization becoming a core business for this division.

The second course of action was diversifying the Group's real estate portfolio. In 2018, we engaged in capital participation in Center Point Development Inc., an asset management firm specializing in logistics real estate, aiming to expand the business in the logistics field, which is expected to grow in the future. Furthermore, we focused on securitization finance-related initiatives in both Japan and overseas, mainly in the U.S. We will continue to take on highly promising projects and develop our organizational systems.

Thanks to a collaboration with the Customer Business—which deals with customers from a wide range of industries and facilitates cooperation among our stockholders—Mitsubishi UFJ Financial Group, Inc., and Mitsubishi Corporation, we were able to connect many customers with suppliers.

Finally, MUL Realty Advisers Company Limited began operations of private REITs in 2019, another significant achievement under the previous Medium-term Management Plan. As a result, we have been able to continuously provide operational and management functions to the Group for the stable operation of profitable real estate.

Business Strategy of New Medium-Term Management Plan

The rapid advancement of urbanization and demographic changes envisioned in the New Medium-term Management Plan are global megatrends spanning the next 10 years that are directly connected to the Real Estate Business Division. Since we do not believe these overall global megatrends will change, it is important to respond to short-term changes while focusing on such long-term trends.

As a strategy for the New Medium-term Management Plan, we will initially address the issue of further improving profitability, which arose during the course of the previous Medium-term Management Plan, of the real estate finance business, including real estate leasing and securitization finance. For example, we will focus on new types of businesses that are a step up in complexity from conventional leasing and finance, such as the operation of multipurpose commercial facilities. Meanwhile, in order to grow sustainably, we will increase our focus on securitization in the U.S. and other areas where the market scale is expected to grow, as well as on the real estate revitalization business that encapsulates these global megatrends. In the real estate revitalization business in particular, it is necessary to further enhance our hands-on knowledge so that we can take advantage of short-term changes in the market. At the same time, we will consider cooperating with partner companies and inorganic approaches.

The strength of the Group is that it has expertise in both investment and finance, enabling it to meet the needs of all its customers and to propose new forms of real estate with them. In the future, we will create new businesses for the Group by balancing each business, including real estate leasing, securitization finance, real estate revitalization, and asset management, while closely cooperating with the Customer Business and other business sectors.

The Mitsubishi UFJ Lease & Finance Group by Business Division

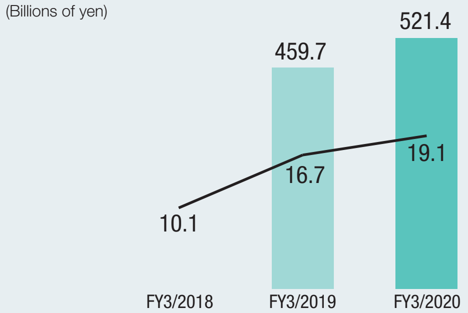
Logistics Business Division

We have been serving global customers by utilizing our Group network and alliances with various companies. We deal with assets with high liquidity and value in the global market, including marine container and railcar leasing, ship financing, and mobility services with a focus on automobiles.

Kenji Yasuno
Senior Managing Executive Officer
Head of Logistics Business Division

Divisional Earnings / Divisional Assets*

(Billions of yen)



— Divisional earnings ■ Divisional assets

* Due to changes in definition of terms, there may be differences from the figures here and figures stated in "FY3/2020 Results," the financial summary for fiscal 2019.

Principal Companies

Company	Ownership Ratio*	Main Business
MUL (Logistics Business Department)	–	Ship finance
Beacon Intermodal Leasing (BIL)	100.0%	Marine container lease
MUL Railcars (MULR)	100.0%	Railcar lease
Mitsubishi Auto Leasing (MAL)	50.0%	Auto lease

* Includes indirect ownership portions

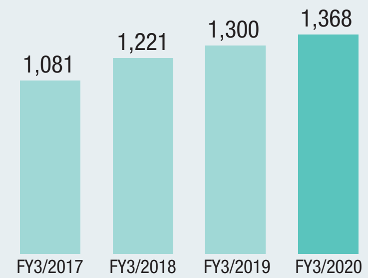
Breakdown of Divisional Assets

(Billions of yen)

	FY3/2019	FY3/2020	Change from FY3/2019
Total	448.9	510.8	+61.9
Marine Containers	215.0	219.2	+4.1
Railcars	94.5	170.7	+76.1
Shipping	139.3	120.9	–18.4

	Major Achievements of Previous Medium-Term Management Plan (fiscal 2017–fiscal 2019)	Major Goals of New Medium-Term Management Plan (fiscal 2020–fiscal 2022)
Marine Container Leasing Business	• Grew to sixth in the world with 1.30 million–1.40 million TEUs*	• Improve profitability by bolstering structure of resale business
Railcar Leasing Business	• MULR converted staff office and expanded business scope Grew fleet to over 16,000 railcars	• Increase number of railcars to 25,000 and become one of the top 10 in the industry
Ship Financing Business	• Steadily accumulated assets centered on existing finance business	• Promote equity investments Advance initiatives for automated driving and electric vehicles(EVs)
Mobility Services Business	• Formed agreement with ALD S.A. for joint venture in Malaysia	• Create new businesses through collaboration with partners by integrating our loan finance capability, in which we have a competitive advantage, customer base, and other methods Develop businesses in countries across Asia

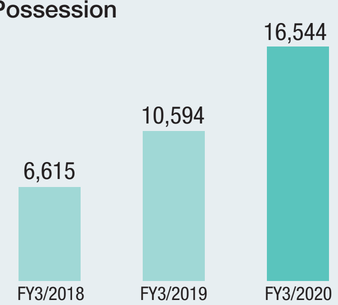
Marine Containers in Possession



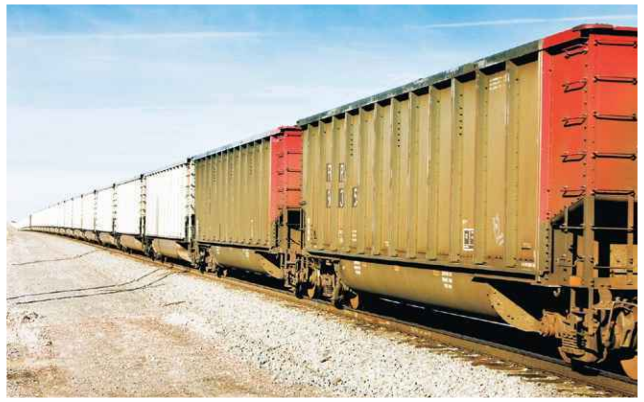
■ Number of marine container fleets (1,000 TEUs*)

* TEUs: Twenty-foot equivalent units (converted into 20-foot containers)

Railcars in Possession



■ Number of railcars



Fiscal 2019 in Review

Divisional earnings for fiscal 2019 rose ¥2.3 billion year on year, to ¥19.1 billion, mainly due to an increase in lease revenue from marine containers and railcars. In addition, divisional assets increased ¥61.6 billion year on year, to ¥521.4 billion, mainly due to extensions on railcar leases.

In the marine container leasing business, along with the railcar leasing business, the Company managed to build its portfolios and accumulate assets in line with its plans. The marine container leasing business was able to increase its scale to approximately 1.40 million TEUs, compared with 1.20 million TEUs at the start of the previous Medium-term Management Plan, thereby increasing total assets to over ¥200.0 billion. The railcar leasing business saw its fleet increase to over 16,000 railcars, up from 6,000 in 2017, when the business launched. We have also improved this business' organizational structure by establishing its own sales department.

In the ship financing business, we were able to make steady progress with our leasing and financing activities despite the slump in marine transportation.

In the mobility services on the domestic front, Mitsubishi Auto Leasing Corporation generated steady profits as an auto leasing business that utilizes approximately 260,000 vehicles and serves as the foundation of this business. In the mobility services overseas, we have operated auto leasing businesses in Indonesia and Thailand. In March 2020, with aspirations to enhance our presence in Southeast Asia, we reached an agreement with ALD, whose number of auto asset holdings is among the highest worldwide, to jointly establish an auto leasing company in Malaysia and thereby establish a foundation for future business expansion in Southeast Asia.

Business Strategy of New Medium-Term Management Plan

In the marine container leasing business, a portion of its portfolio of assets have reached the typical selling age of 13 years, which is generally when a gain on sales could be expected. However, there are still not enough of these assets to begin generating these gains. As we continue to gather assets, we will also concentrate on developing and strengthening our resale framework in parallel. Furthermore, we also aim to increase profitability by developing asset-turnover businesses. These actions would involve carrying out container asset management and other endeavors.

In the railcar leasing business, assets are still comparatively new on account of the business being in its infancy. We are currently in the process of building a portfolio for the business, so while it may take more time to increase profitability via asset turnover, we are taking steps to enhance human resources and strengthen the organizational framework. Under the New Medium-term Management Plan, we are aiming to increase our fleet to 25,000 railcars and become one of the top 10 in the industry. To this end, we are simultaneously looking into options such as large-scale purchasing.

To increase profitability in the ship financing business amid a slump in marine transportation, we will first promote equity investments and work to increase profitability from business participation and management, in addition to existing collateral-based financing. Moreover, we would like to promote automated driving, EVs, and other initiatives that progress the Company in terms of ESG and sustainability.

In mobility services, it is important that we identify and respond to major changes taking place across the entire industry. Therefore, in addition to auto leasing, which has been our focus so far, we will adjust by offering a wide range of services that make use of our assets, such as auto rental and sharing businesses. Collaborating with ALD, a company with a wealth of achievements under its belt, will help expand our network and gather know-how, while also making use of the Group's strengths—namely, its financing services and customer base—to develop our business.

As for the Logistics Business Division as a whole, we intend to expand intermodal transportation, which organically links the fields of marine containers, railcars, ships, and mobility services. At this current stage, our first priority is growing a solid foundation for each business, but we are also working to expand their scope and examine inorganic methods to enable the kind of one-stop transportation that customers want. In addition, we will also promote studies with a view to developing third-party logistics (3PL) and other efficient logistics services while also incorporating new technologies such as AI and the IoT.

The Mitsubishi UFJ Lease & Finance Group by Business Division

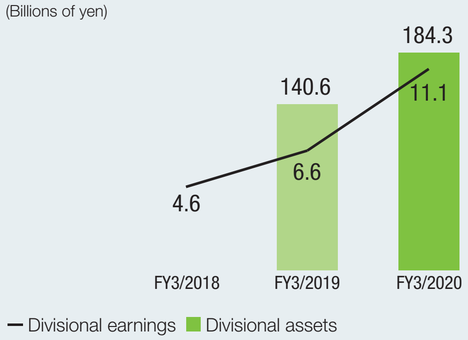
Environment & Energy Business Division

We invest in and finance various types of renewable energy projects, but mainly rooted in solar power generation. Therefore, we are focused on developing a solar power purchase agreement (PPA) model for rooftops as a new type of solar power generation, in addition to participating in a pilot project to create a virtual power plant (VPP), a next-generation energy management system. In this way, we aim to build a business model that will address the social demand for clean energy.

Koji Nemoto
Managing Executive Officer
Head of Environment & Energy Business Division

Divisional Earnings / Divisional Assets

(Billions of yen)



	Major Achievements of Previous Medium-Term Management Plan (fiscal 2017–fiscal 2019)	Major Goals of New Medium-Term Management Plan (fiscal 2020–fiscal 2022)
Environment & Energy Business Division	• Accumulated solar power-related investment projects Started turnover of assets by strategically selling off businesses • Entered into domestic biomass and onshore wind power generation businesses	• Enhance renewable energy business through strategic investments • Build alliances with strategic partners in utilities and other fields ahead of the coming end to Japan's feed-in tariff (FIT) scheme • Expand renewable energy business in overseas markets (ASEAN, etc.)

Principal Companies

Company	Ownership Ratio*	Main Business
MUL (Environment & Energy Business Department)	–	Renewable-energy business
MUL Energy Investment (MEI)	100.0%	Operation and asset management of renewable energy businesses
MUL Utility Innovation (MUI)	100.0%	Development of energy-related businesses

* Includes indirect ownership portions

Breakdown of Divisional Assets

(Billions of yen)

	FY3/2019	FY3/2020	Change from FY3/2019
Total	140.6	184.3	+43.6
Debt	46.6	59.8	+13.1
Equity	19.5	30.1	+10.5
Power Generation Business Assets	67.3	82.9	+15.6
Others*1*2	7.0	11.3	+4.2
(Reference) Output count for contributions for which operation has begun*3	393 MW	541 MW	+148 MW

*1 Includes equity-method investments
*2 Solar power-related leases were recorded in Customers Business
*3 Management accounting values

Fiscal 2019 in Review

Divisional earnings for fiscal 2019 rose ¥4.4 billion year on year, to ¥11.1 billion, primarily from selling off assets, and from solar power plants that were previously under construction starting operations and their beginning to generate revenue from electricity sales. In addition, divisional assets increased ¥43.6 billion year on year, to ¥184.3 billion.

In the renewable energy business, we continued focusing on solar power as our mainstay field. To date, we have continued to accumulate assets based on the FIT scheme, and we understand that we have a certain responsibility to maintain possession of these assets as a member of the renewable energy industry. However, we are also launching an asset-turnover business that strategically replaces assets in anticipation of the end of the FIT period.

Furthermore, we have been active participants in fields outside of solar power. This includes participating alongside a partner company in a woody biomass power generation business in Oita City, Oita Prefecture, and investing in a 50,000 kW woody biomass power plant in Ibaraki Prefecture.

While the above efforts constitute FIT-oriented business activities aimed at electric power companies, we have conducted customer-oriented business activities as well. For instance, we installed solar power generation equipment and facilities as well as heat pump water heaters free of charge at customer sites in Miyakojima beginning in October 2019, and are working with partner companies in a renewable energy service provider (RESP) business, which acquires compensation in the form of service fees.

Moreover, in overseas developments an initiative launched two years ago, the decision was made to establish a joint venture with SPCG Co., Ltd., a major local solar power generation company in Thailand. In addition, we were able to proceed with overseas expansion in Taiwan by working with the Chilease Group, Taiwan's largest non-bank, as a strategic partner to invest in International Ocean Vessel Technical Consultant, an ocean research affiliate that specializes in offshore wind power.

Business Strategy of New Medium-Term Management Plan

Amid growing concern over climate change worldwide, the Japanese government is carrying out various efforts to make renewable energy one of its main power sources by 2030, based on the 5th Strategic Energy Plan, presented in July 2018. Renewable energy ranks among our priority fields in the New Medium-term Management Plan, and we intend to continue developing and promoting this field.

The Group's presence in the industry has expanded at a reasonable rate as a result of solar power projects going into operation and contributing toward higher power output. However, our share of the renewable energy generated domestically is currently around 1%, meaning there is considerable room for growth. Up to this point, we have accumulated assets with a focus on large-scale, "mega-solar power" projects, but we expect that demand for medium- and small-scale projects utilizing high-voltage power will increase going forward. To meet this upcoming demand, we are taking steps to strengthen our organization, which includes the opening of a new Energy Business Development Department in April 2020. We will also deepen discussions with our strategic partners regarding long-term ownership and utilization of assets after the conclusion of the FIT scheme.

Aside from solar power, the development of projects involving biomass power generation from domestic thinned wood and offshore wind power generation will start in earnest in Japan in 2021. We intend to make proactive efforts to this end, utilizing our know-how cultivated in the overseas infrastructure business.

We aim to build a track record and further expand overseas, both in Thailand, which is actively engaged in the pursuit of renewable energy, and Taiwan, where we have strong local partners. We will also continue building know-how related to VPPs—which amalgamate control over multiple facilities, such as small-scale power stations and storage batteries—and network systems that manage power demand. At the same time, we would like to contribute to the creation of smart communities.

As times change, the types of services required of the energy sector are expected to also change in various ways. We as a division are working to ascertain these changes accurately and make use of one of the Group's strengths—namely, its network of partner companies along with its pool of knowledge developed up to the present day—while making an active effort to expand business through inorganic growth or other means.

The Mitsubishi UFJ Lease & Finance Group by Business Division

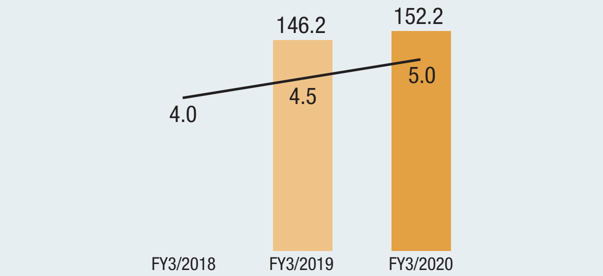
Healthcare Business Division

We utilize our accumulated knowledge and expertise in financing and other aspects of the healthcare field to provide a wide range of integrated services, ranging from asset financing to operational support. These services include medical equipment leasing, assistance for opening hospitals and clinics, operation of healthcare complexes, securitization of healthcare facilities, medical fee factoring, consulting on medical equipment installation and operation, and sales of used medical equipment.

Hironori Shiozawa
Managing Executive Officer
Head of Healthcare Business Division

Divisional Earnings / Divisional Assets

(Billions of yen)



	Major Achievements of Previous Medium-Term Management Plan (fiscal 2017–fiscal 2019)	Major Goals of New Medium-Term Management Plan (fiscal 2020–fiscal 2022)
Healthcare Business Division	• Selected recovery and rehabilitation field as a new core field of focus • Increased investments in funds established by HMP	• Expand assets under management in the recovery and rehabilitation field through the launch of a new fund by HMP, enter advanced rehabilitation fields through cross-industrial collaboration, etc. • Assess feasibility of participation in digitalization business within the healthcare field • Expand operational areas such as the financing of medical equipment on the overseas market through alliances with leading partners

Principal Companies

Company	Ownership Ratio*	Main Business
MUL (Healthcare Business Department)	–	Medical equipment lease and medical fee factoring
JAPAN MEDICAL LEASE	100.0%	Medical equipment and real estate lease
MUL HEALTHCARE	100.0%	Support service for installment of medical equipment and medical institution consulting
Healthcare Management Partners (HMP)	66.0%	Management of fund to support management specializing in the medical and long-term care fields
M-cast, Inc.	100.0%	Purchase and sale of used medical equipment

* Includes indirect ownership portions

Breakdown of Divisional Assets

(Billions of yen)

	FY3/2019	FY3/2020	Change from FY3/2019
Total	146.2	152.2	+5.9
Leases and installment sales*	104.3	106.9	+2.6
Factoring	24.9	24.8	–0.1
Healthcare-related Loans and investments	16.9	20.4	+3.4

* Leases and installment sales to medical institutions and care homes recorded in the Domestic Customer Business are excluded.

Fiscal 2019 in Review

Divisional earnings for fiscal 2019 rose ¥0.5 billion year on year, to ¥5.0 billion, due to the earnings growth of Group companies. In addition, divisional assets increased ¥5.9 billion year on year, to ¥152.2 billion, mainly due to the steady rise in the number of leasing and installment contracts for existing hospitals and clinics and the stable increase in the amount of investment and loans within the funds established by HMP.

The division was launched with the inaugural business strategy centered on an “integrated community care system,” but after a thorough investigation into the market during the previous Medium-term Management Plan, we have selected the recovery and rehabilitation field* as our core field of focus going forward. Furthermore, we consider it a great achievement that, by undergoing this selection process and focusing our efforts, we were able to establish a system allowing for full-scale operations of the division going forward. During fiscal 2019, we reviewed our nursing care facility operation business in line with business restructuring, and accumulated investments and loans as part of the funds operated by HMP, which provide management support through healthcare-related asset management. With over half of these investments and loans going toward hospitals involved in recovery and rehabilitation, our move toward this field as a point of focus is becoming clearer.

In other initiatives, we have begun looking into the rehabilitation facility management business with multiple potential partners. In addition, the Group supported the establishment of the Iruma Hospital Cooperation Council in Iruma City, Saitama Prefecture, working through MUL HEALTHCARE CO., LTD., which provides consulting services for medical institutions. Following its establishment, the Group has initiated support for improvements to management, including joint purchasing of medical equipment and unified outsourcing of facility maintenance and other services.

* Medical treatment and rehabilitation for returning patients who have undergone acute-stage care to their homes

Business Strategy of New Medium-Term Management Plan

A strength of this business division is its customer base, with a track record of over 17,000 customer transactions nationwide including hospitals, clinics, and nursing care facilities. Another characteristic of this business division is its variety of financial services that go beyond a simple leasing business.

We expect a hastening move to reorganize hospital and clinic beds away from those dedicated to acute-stage care, and toward expanding the number beds for recovery care from the perspective of tempering medical treatment expenses and also due to changing demand in medical treatment, an example of which is greater demand for rehabilitation in keeping with a rise in dementia and chronic illnesses stemming from Japan’s aging population. We also expect to see further calls to rebuild medical facilities as they continue to deteriorate on the domestic front. Amid these business conditions, we will focus on the recovery and rehabilitation field, chosen as a core business during the previous Medium-term Management Plan, while incorporating peripheral businesses. Specifically, we expect to meet a variety of customer needs, which may include ward reconstruction to facilitate the transition from acute-stage beds to recovery care beds, conversion of the beds themselves, and support to introduce optimal medical equipment. In doing so, we will offer a wide range of services across the entire division, such as financial proposals that utilize leasing, installation payments, and real estate securitization; consulting based on analyses of the medical field; and assistance with sales of used medical equipment. Furthermore, to surpass other leasing companies and promote business development in the recovery and rehabilitation field, we will thoroughly explore the possibility of commercializing rehabilitation facility operations.

We are also aiming for sustainable growth and contributions to consolidated earnings through HMP, which assists with management and operation of our fund management business.

With the ongoing spread of COVID-19, there is a growing interest in digitalization within the healthcare field in ways that include online medical care and electronic medical records, with the possibility that this trend will catch on rapidly. While we previously looked into entering the digitalization business within this business division, we would like to add to these efforts a sense of haste. We also intend to utilize our experience in Japan to investigate business development in Southeast Asia, where population growth is expected, with a plentitude of room for expansion in healthcare services as well. As a first step, we intend to build relationships with local medical facilities, utilizing the strengths of this business division, namely, medical equipment leasing and other forms of financing, as an initial spark.

The Mitsubishi UFJ Lease & Finance Group by Business Division

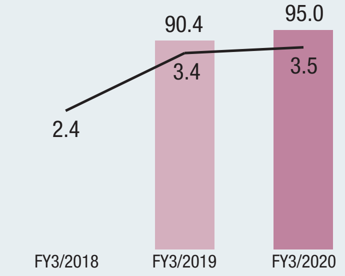
Infrastructure & Investment Business Division

We provide unique solutions to meet infrastructure demand, which is growing on a global scale. We operate private finance initiative (PFI) businesses, which utilize leveraging private-sector funding expertise, to construct and operate public facilities in Japan with first-class track records. In addition, we are developing a corporate investment business to take advantage of the knowledge and experience we have amassed thus far.

Kunihiro Sawada
Managing Executive Officer
Head of Infrastructure & Investment Business Division

Divisional Earnings / Divisional Assets*

(Billions of yen)



— Divisional earnings ■ Divisional assets

* Due to changes in definition of terms, the figures given here may be different from those stated in "FY3/2020 Results," the financial summary for fiscal 2019.

	Major Achievements of Previous Medium-Term Management Plan (fiscal 2017–fiscal 2019)	Major Goals of New Medium-Term Management Plan (fiscal 2020–fiscal 2022)
Infrastructure & Investment Business Division	• Overseas infrastructure: Established businesses and accumulated track records in businesses priority fields (Infrastructure Business department: renewable energy in Europe and the U.S., power transmission and distribution, water, etc. /JII: rail in the U.K., etc.) • PFI: Maintained a presence within the industry and reinforced business management systems • Investment Business/ Structured Finance: Carried out measures aimed at developing platforms and expanding business	• Overseas infrastructure: Accumulate high-quality assets and pursue higher profitability through business collaboration with leading companies within priority fields and other measures • PFI: Enact effective initiatives for a diverse range of public and private businesses • Investment Business/ Structured Finance: Expand revenue opportunities by providing loan/equity finance to companies based on their business stage

Principal Companies

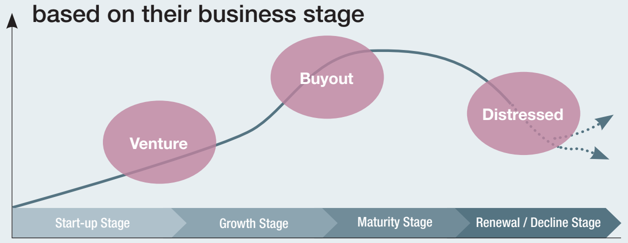
Company	Ownership Ratio*	Main Business
MUL (Infrastructure Business Department)	–	Infrastructure business PFI business
MUL (Investment Business Department, Structured Finance Department)	–	Buyout financing Private equity Distressed businesses
Japan Infrastructure Initiative (JII)	47.6%	Infrastructure investment and loan

* Includes indirect ownership portions

Track Records of Overseas Infrastructure Investment

Booking Party	Project Overview	Remarks
MUL	Offshore power transmission business in Germany	In operation
	Wind power business in Ireland	In operation
	Water supply business in the U.K.	Investment complete
	Offshore wind farm project in the U.K.	Scheduled to start operating in 2022
	Power distribution business in the U.K.	Investment complete
	Distributed generation PV solar portfolio in the U.S.	In operation
JII	Rail infrastructure initiative in the U.K.	In operation
	Optical cable initiative	In operation in the first half of 2020
	Passenger railcar lease and maintenance initiative in the U.K.	In operation
	Passenger railcar lease initiative in the U.K.	Scheduled to start operating in 2022
	Toll highway operating company in India	Investment committed

Investment Business / Structured Finance Department: Providing solutions to companies based on their business stage



Fiscal 2019 in Review

Divisional earnings for fiscal 2019 remained almost unchanged at ¥3.5 billion year on year due to the recording of up-front costs related to investee businesses. Divisional assets, which generate revenue, increased ¥4.5 billion year on year, to ¥95.0 billion, due to the returns from Investment / Structured Finance businesses, while expansion of investment for overseas infrastructure business.

Regarding the overseas infrastructure business, in June 2019 we invested in a distributed generation PV solar portfolio as our first project in the U.S. We also invested in a Power distribution business in the U.K. in August of the same year. Furthermore, Japan Infrastructure Initiative (JII), a joint venture between Mitsubishi UFJ Lease & Finance, Hitachi Capital Corporation and MUFG Bank, Ltd, supporting Japanese companies in exporting technology and products through its financing functions, added to its list of achievement, a passenger railcar lease and maintenance initiative in the U.K., etc.

Despite the overseas infrastructure business only commencing operations in 2016 and JII starting in 2017, it has been steadily building a track record over the course of the previous Medium-term Management Plan.

In the PFI business, we represented a consortium and received a mandate in October 2019 for the construction of a new government building in Kaizuka City, in Osaka Prefecture, bringing the company's cumulative PFI results to 61 projects (for 17 of which we represents the consortium). By leveraging approximately 20 years of accumulated experience and continuing to reinforce business management systems, we are maintaining a presence within the industry by accurately grasping the needs of public and partner companies.

In the Investment Business/ Structured Finance, meanwhile, we developed a platform over the past fiscal year for the further expansion thereof, taking into account the buyout finance, principal investment, and distressed business investments we have carried out until now. Moreover, we have launched new businesses with actions that include subscribing convertible bonds with subscription rights to shares of Infostellar Inc., a space industry startup company which provides an antenna-sharing platform to communicate with satellites, in March 2020.

Business Strategies in the New Medium-Term Management Plan

Looking ahead to 10 years from now, we will work together with leading companies within our focus business fields and provide added value unique to the Group. Through these actions, we will contribute to solving such "Shared Issues of International Society" and "Operational Issues of Customers", in addition to realizing sustainable growth of the business.

In the overseas infrastructure business, we have been accumulating favorable results in the Renewable Energy and Social Infrastructure fields, which encompass renewable energy in Europe and the U.S., power transmission and distribution, water, and high-speed railways. These individual projects have allowed us to accumulate knowledge and experience while also strengthening our ties with leading companies in Japan and overseas that jointly invest in these business alongside us. As we build up knowledge and experience (including that which comes back within Japan) through our partnerships in the priority fields of power and water in Europe and the U.S., we will capture the growth of the global infrastructure market and turn it into a source of growth, linking the ability to provide more flexible solutions, such as participating in businesses at an earlier stage, and high profitability.

In the PFI business, there has hitherto been a focus on receiving facility maintenance fees from the public. However, recently public needs are diversifying, such as the need for more risk-taking by some private companies. Our goals are to continue expanding the reach of the business and demonstrating our presence within the industry by utilizing our knowledge gained from overseas infrastructure projects and promoting measures throughout the Group.

These goals are shared by both Japanese and overseas companies. That being said, in the infrastructure business the key to success is creating a win-win-win relationship between the actual users of infrastructure, applicable countries, and private companies that participate in the business. By considering the perspectives of the business' numerous stakeholders and creating value that realizes an optimal balance, we intend to contribute toward the creation of a sustainable society as a group.

In the Investment Business / Structured Finance, by providing finance and equity commensurate with the business stages of a company—the start-up stage, growth stage, maturity stage, and renewal and decline stage—we will cooperate with partner companies and improve the corporate value of investees and borrowers. By making progress with such initiatives, we aim to expand opportunities to generate revenue through income gains and capital gains. First, while strengthening collaboration with our partners and reinforcing buy-out finance initiatives, such as corporate carve-outs and business succession initiatives, we will promote private equity investments and carry out effective initiatives for distressed business investments and related fields, in addition to initiatives directed toward new business fields that utilize corporate investment skills.

To realize the goals of the Infrastructure & Investment Business Division, we will aim to continuously provide added value unique to the Group while promoting the cultivation and strengthening of necessary human resources and developing a platform comprising localization.