

# Progress of the Medium-term Management Plan (2025 MTMP) —as of the Time of the Financial Results Briefing for FYE3/2024

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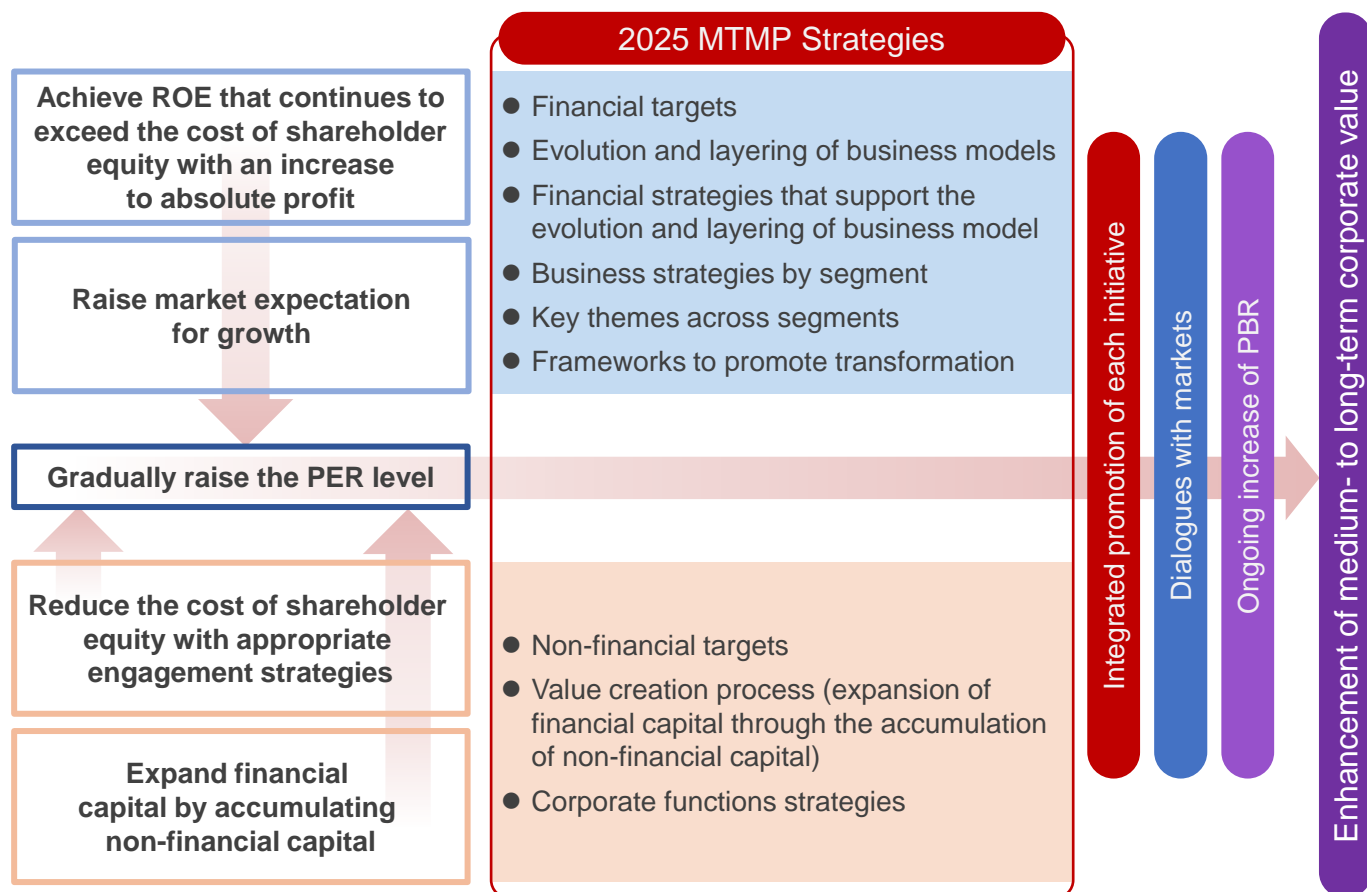
Mitsubishi HC Capital Inc.

June 20, 2024

# Initiatives for the Medium- to Long-term Enhancement of Corporate Value

- ✓ Aim to enhance medium- to long-term corporate value through the achievement of ROE that continues to exceed the cost of shareholder equity and the enhancement of PER by fostering expectations for growth and reducing the cost of shareholder equity. With the achievement of the goals of the 2025 MTMP as a milestone, we will appropriately report on our progress to markets and engage in dialogues.

## Relationship between the Road to Enhancement of Corporate Value and the 2025 MTMP



$$\begin{aligned} \text{Theoretical } PBR &= \text{Expected } ROE \times \text{Expected } PER \\ &= \text{Expected } ROE \times \frac{1}{\text{Cost of shareholder equity} - \text{Expected profit growth rate}} \end{aligned}$$

(Denominator) Cost of shareholder equity in a broad sense : currently approx. 10%

## MHC's Priorities

### Probability of achieving the 2025 MTMP

#### Realization of profitability exceeding the cost of shareholder equity

- Achievement of an ROE of approximately 10%
- Portfolio management through the analysis of the return on capital per business, etc.

#### Enhancement of stakeholders' understanding of our business

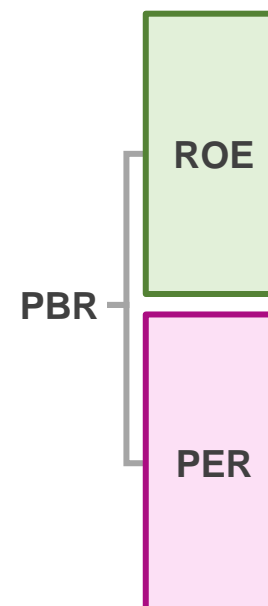
- IR for each segment, etc.

#### Fostering of expectations for growth

- Promotion of the evolution and layering of business models, etc.

#### Reduction of the cost of shareholder equity

- Reduction of ESG risks, enhancement of disclosures on non-financial and other information, dialogues with markets, etc.



## Results

- ▶ Achieved the financial targets for the first year of the 2025 MTMP, excluding ROE. Aviation and Logistics have driven the entire business.
- ▶ Steady progress has been made on non-financial targets as well.
- ▶ Replacement of assets has progressed smoothly toward the transformation of our business portfolio and the improvement of capital efficiency.
  - New investment: Investment in European Energy, making CPD a wholly-owned subsidiary, etc.
  - Sale/withdrawal: Sale of Shutoken Leasing and DFL Lease, sale of Sekisui Leasing (planned), withdrawal from the credit card business for personal customers, sales of strategic shareholdings, etc.

## Issues

- ▶ Lack of speed in the progress of the evolution and layering of business models (shift to business with high added value and ROA, etc.).  
In particular, the issue for the future is the generation of businesses that significantly contribute to profit in Customer Solutions.
- ▶ In the Americas of Global Business, credit costs increased in its main business, sales finance business for commercial trucks.  
Recovering its profitability is a pressing task.

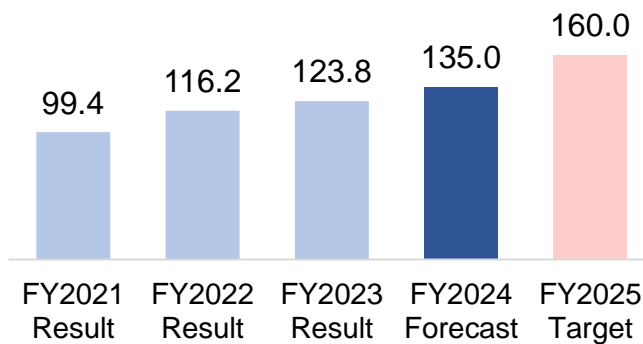
## Direction for FY2024- 2025

- ▶ Achieve various financial and non-financial targets and continue to raise PBR and corporate value.
- ▶ Realize the evolution and layering of business models at an early stage and promote various initiatives to expand profit in Customer Solutions.
- ▶ In the Americas of Global Business, recover and expand profitability at an early stage by reviewing the risk management framework and diversifying and restructuring business portfolios.
- ▶ Move forward with “sowing seeds” looking ahead to the next MTMP by accelerating various initiatives relating to key themes across segments and frameworks to promote transformation.

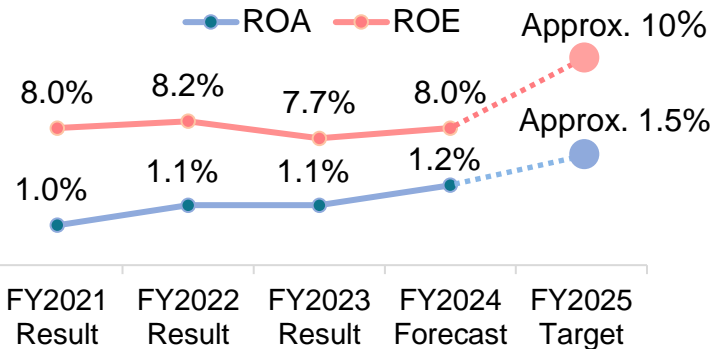
# Financial Targets

- ✓ Financial targets for FY2025 remain unchanged from the ones externally announced on May 15, 2023; net income of JPY160.0Bn, an ROA of approximately 1.5%, and an ROE of approximately 10%. By segment, Aviation and Logistics, of which markets have been strong, will drive profit growth, and Environment & Energy and Real Estate, which have steadily executed strategies, will support profit growth. Thus, we expect to achieve profit growth on a company-wide basis.
- ✓ We will promote the evolution and layering of business models by enhancing the profitability of existing businesses, investing in new businesses, and selling/withdrawing from low-profit businesses to improve ROA in all segments.

## Net Income (Billion Yen)



## ROA-ROE



## (Reference) ROA by Segment

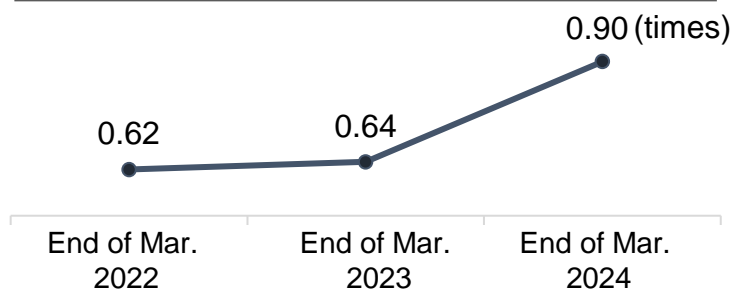
Segment	FY2022 (Result)	FY2023 (Result)	FY2025 (Target)
Customer Solutions	1.1%	1.2%	1.3%
Global Business	1.1%	0.5%	1.3%
5 Business Divisions*	1.3%	1.6%	1.8%
Total	1.1%	1.1%	Approx. 1.5%

\* A weighted average of Environment & Energy, Aviation, Logistics, Real Estate, and Mobility

## Payout Ratio/Financial Soundness

	FY2023 Plan	FY2024-2025 Target
<b>Payout Ratio</b>	42.9%	40% or more
<b>Rating</b>	A	Maintaining A

## PBR (Reference)



# Non-financial Targets

- ✓ Steady progress has been made on non-financial targets. Qualitative targets for DX related items have been quantified. We continue initiatives to achieve targets and the quantification of the qualitative targets.

		KPI (Italics in parentheses: target scope (consolidated or non-consolidated))	Targets (2025 MTMP)	FY2023 Results		Direction for FY2024-2025
				Description	Assessment	
Talent Base/Know-how	Human Capital	Level of fulfillment of a talent portfolio in line with our management strategies (non-consolidated)	Formulate the talent portfolio framework and visualize the level of fulfillment	Conducted an assessment on approx. 1,200 employees	○	Consider visualization and matching of job information and talent information (Quantitative targets will be set at the time of the financial results briefing for FY2025)
		Results of the employee engagement survey (non-consolidated)	Refine the survey content and enhance analysis	Conducted a comprehensive review of the engagement survey questions	○	Fine-tune questions in the engagement survey (Quantitative targets will be set at the time of the financial results briefing for FY2024)
	Intellectual Capital	DX assessment*1 Ratio of standard or higher level talent (non-consolidated)	80% or more	46.8% (+22.0pt YoY)	○	FY2024 plan: 70% or more
		Monthly average overtime hours (operational efficiency) (non-consolidated)	14 hours or less	18 hours and 47 minutes (-0.6 hours YoY)	▲	Proceed with considering the implementation of BPR*2 and promote taking inventory and visualizing business operations
		Rate of annual paid holidays taken by employees (non-consolidated)	70% or more	74.4% (+5.7pt YoY)	◎	Maintain the targeted rate or higher
Asset Base/ External Relationship	Manufacturing Capital	GHG emissions amount (Scope 3) (consolidated)	Analyze the categories which have a major impact and visualize Scope 3 emissions	Investigated the actual status and verified the method regarding each asset and transaction	○	Aggregate FY2023 results Obtain a third-party assurance and disclose results
	Natural Capital	GHG emissions amount (Scope 1,2) (consolidated)	-55% in FY2030 vs. FY2019 and net zero in FY2050	FY2022 result: -31.3% (FY2023 result is being calculated)	○	Continue to promote energy saving, electrification (the shift to EVs), and the use of renewable energy
	Social and Relation Capital	Energy consumption (domestic) (non-consolidated + domestic Group companies)	-1% YoY continually	FY2022 result: -16.9% (FY2023 result is being calculated)	◎	Continue to promote energy saving, reviewing of the number of vehicles used, etc.

□ : New KPIs and targets  
(Existing KPIs and targets were updated)

\*1 DX assessment: A tool provided by an external vendor for measuring levels of DX literacy. Employees are categorized into three levels: beginner, standard, and expert

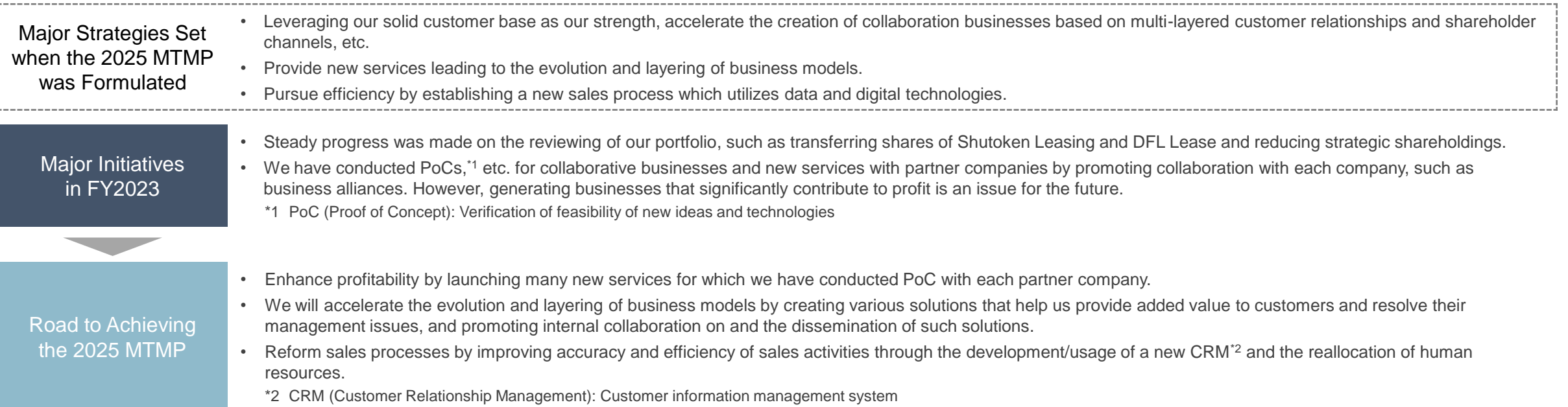
\*2 BPR (Business Process Re-engineering): Fundamentally reviewing existing organizations and systems toward achieving the original objective of business operations, and re-designing business operation flows, information systems, etc. focusing on processes

## Summary of 2025 MTMP Progress

- ▶ **Steady progress was made on the reviewing of our portfolio in FY2023. Though segment assets decreased due to the share transfer of Group companies, net income remained the same through sales of strategic shareholdings, real estate, etc. Our issue is the generation of businesses that significantly contribute to profit.**
- ▶ **We will accelerate the evolution and layering of business models by promoting each strategy to expand profits.**

(JPY100Mn)	FY2022	FY2023	YoY
Net Income	381	381	±0
Segment Assets	32,277	29,665	-2,611
ROA	1.1%	1.2%	+0.1pt

## Details of 2025 MTMP Progress



## Summary of 2025 MTMP Progress

- ▶ **Net income for FY2023 significantly decreased YoY mainly due to the increase of credit costs caused by worsening market conditions for commercial trucks in the Americas.**
- ▶ **We will quickly gain a solid foothold and restructure our portfolio in the Americas. At the same time, we will achieve an increase in overall profit by accelerating each strategy in Europe and the Americas.**

(JPY100Mn)	FY2022	FY2023	YoY
Net Income	290	166	-124
Europe	176	170	-6
Americas	105	-13	-119
Segment Assets	26,442	30,708	+4,265
ROA	1.1%	0.5%	-0.6pt

## Details of 2025 MTMP Progress

### Major Strategies Set when the 2025 MTMP was Formulated

- Diversify businesses, expand our customer base, and shift to high value-added products by considering social issues and needs of each country and region.
- Increase added value and differentiate our business by digitalizing business processes and providing digital platforms to more vendors and customers.
- Increase profitability by enhancing decarbonization businesses such as EVs, charging stations, and solar power generation.

### Major Initiatives in FY2023

- 【Europe】**
  - Promoted businesses related to power generation using sustainable energy (such as strengthening alliances with partners and installing EV charging facilities).
- 【Americas】**
  - Focused on stabilizing management after three sites in the Americas were integrated.
  - Credit costs increased due to the rapid worsening of market conditions in the transportation sector, where we are operating our main business. The business in the Americas ended in a deficit due also to a decrease of margins caused by the sudden rise of interest rates as well as a decrease in new transactions volume.
  - Developed a function to analyze vendors for the sales finance business.

### Road to Achieving the 2025 MTMP

- 【Europe】**
  - Fully utilize partnerships and DX in each business. Increase profits by accumulating high-quality new assets, increasing margins, expanding gains on sales in the mobility business, etc.
  - Expand interest rate margins by reducing funding costs through expanding our investor base, etc.
- 【Americas】**
  - As the interest rate environment stabilizes, promote revising pricing standards and increasing margins to recover profitability.
  - In the sales finance business for commercial trucks, review the models and processes to control credit risks. Diversify our business portfolio and enhance portfolio management by promoting the enhancement and expansion of other businesses.

## Summary of 2025 MTMP Progress

- ▶ We achieved a business recovery at an early stage in FY2023 thanks to the improvement of the aviation market.
- ▶ The Aviation segment is driving the growth of MHC through the expansion of its business portfolio, deepening of Group synergies, etc.

(JPY100Mn)	FY2022	FY2023	YoY
Net Income	62	273	+211
Segment Assets	16,402	20,200	+3,798
ROA	0.4%	1.3%	+0.9pt

## Details of 2025 MTMP Progress

### Major Strategies Set when the 2025 MTMP was Formulated

- Firmly maintain our competitive, industry-leading portfolio of aircraft and aircraft engine leasing businesses.
- Enhance capabilities to address changes in industry and customer needs through optimized collaboration within the MHC Group, and expand the business size.
- Create new businesses (next-generation aviation technologies, decarbonization, etc.) with the aim of acquiring a business platform for the future.

### Major Initiatives in FY2023

- MHC Group companies JSA and ELF jointly arranged a large-sized leasing contract for the first time, meeting the diversifying needs of aviation companies.
- ELF made INAV, which is engaging in engine parts sales, a 100% subsidiary to strengthen Group synergies.
- Concluded collaboration agreements with investees for the establishment of new businesses. In addition, we conducted examinations and analyses of the industries related to SAF\*1 and hydrogen in view of decarbonization.

\*1 SAF: Sustainable aviation fuel

### Road to Achieving the 2025 MTMP

- Obtain profits and increase asset profitability in the entire aviation value chain through collaboration between aircraft/engine leasing, engine parts sales, and businesses in Japan.
- Expand our high-quality liquid portfolio in a stable manner through M&As, etc.
- Increase the ratio of new model aircraft and engines handled by JSA and ELF with a view to a decarbonized society, consider businesses and services in next-generation aviation technology domains, etc.

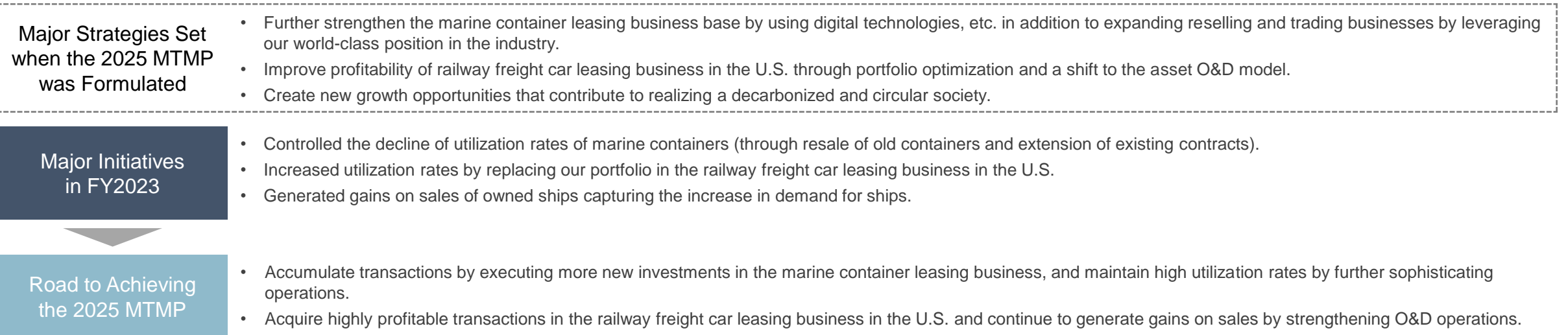


## Summary of 2025 MTMP Progress

- ▶ **New investments were sluggish in FY2023 due to stabilized supply and demand in the marine container leasing business. However, we have maintained high utilization rates thanks to our sales capabilities and accurate operation of CAI, such as active leasing of our existing fleet.**
- ▶ **The Logistics segment is accelerating its growth thanks to the profit contribution of the railway freight car leasing business in the U.S.**

(JPY100Mn)	FY2022	FY2023	YoY
Net Income	153	178	+24
Segment Assets	10,929	10,990	+61
ROA	1.4%	1.6%	+0.2pt

## Details of 2025 MTMP Progress



## Summary of 2025 MTMP Progress

- ▶ In FY2023, business strategies including the development of renewable energy business in Europe steadily progressed, despite a temporary loss in the domestic solar power generation business.
- ▶ We will further expand our domestic power generating capacity and develop businesses overseas through European Energy.

(JPY100Mn)	FY2022	FY2023	YoY
Net Income	116	73	-43
Segment Assets	4,332	4,166	-166
ROA	2.2%	1.4%	-0.8pt

## Details of 2025 MTMP Progress

### Major Strategies Set when the 2025 MTMP was Formulated

- Secure stable electric power supply and strengthen the profit base by expanding our power generating capacity.
- Increase added value of our power generating capacity by promoting new businesses such as battery storage and power generator aggregation.
- Accelerate the development of renewable energy generation businesses in the U.S. and Europe by strengthening development functions, etc.

### Major Initiatives in FY2023

- Increased PPAs<sup>\*1</sup> for roof-mounted solar power generation systems, corporate PPAs<sup>\*2</sup>, and onshore wind power generation projects under the FIT and FIP schemes<sup>\*3</sup>.
- Expanded business domains by launching aggregation business<sup>\*4</sup> targeting offshore wind power generation plants.
- Developed a business platform in Europe by acquiring a 20 percent stake in European Energy.

\*1 PPA: Power Purchase Agreement

\*2 Corporate PPA: An agreement under which corporate entities such as companies and local governments purchase renewable power from renewable electric power generation companies on a long-term basis.

\*3 FIT (Feed-in Tariff): The FIT scheme is a system under which power companies purchase electricity generated by renewable power generation companies at a certain price for a certain period of time.

FIP (Feed-in Premium): Unlike FIT, the FIP scheme is a system under which renewable electric power is sold in the wholesale electricity market, etc. and a certain amount of premium (subsidy) is added to the sales price in connection with the market price.

\*4 A business to predict the amount of renewable energy power generation and formulate supply and demand plans and provide electricity as well as non-fossil value based on them.

### Road to Achieving the 2025 MTMP

- Further expand our domestic power generating capacity (solar, wind power, etc.).
- Sell some of our solar and biomass power generation businesses with the aim of replacing them in our domestic business portfolio.
- Develop renewable energy power generation businesses overseas through European Energy.
- Replace our portfolio by selling overseas infrastructure assets.

## Summary of 2025 MTMP Progress

- ▶ In FY2023, we steadily increased our assets in the domestic finance business and revitalization investment business.
- ▶ We will aim to increase profit generated during leasing terms by strengthening development functions and improving capabilities to enhance value, and to continue to generate gains on sales of assets.

(JPY100Mn)	FY2022	FY2023	YoY
Net Income	126	119	-7
Segment Assets	4,472	5,254	+781
ROA	2.0%	2.2%	+0.2pt

## Details of 2025 MTMP Progress

### Major Strategies Set when the 2025 MTMP was Formulated

- Create business opportunities through investment in and lending for eco-and society-friendly assets as well as increasing capabilities to enhance value by strengthening development.
- Enhance investment in logistics facilities development by increasing sourcing and leasing pipelines.
- Differentiate our asset classes and address investors' needs related to ESG, etc., aiming to enhance and expand asset management business.

### Major Initiatives in FY2023

- Increased investment and lending transactions mainly related to environment- and society-friendly assets in Japan and implemented initiatives to enhance the value of investment assets.
- Strengthened in-house functions to develop logistics facilities by making CenterPoint Development (CPD), which has development and asset management functions dedicated to logistics real estate, a wholly-owned subsidiary.
- Steadily increased new assets under management targeting external investors in the asset management business.
- Suspended initiatives related to new transactions following large losses in U.S. projects.

### Road to Achieving the 2025 MTMP

- Increase profit generated during leasing terms by strengthening development functions and improving capabilities to enhance value in Japan, and continue to generate gains on sales of assets in Japan.
- Promote O&D\*1 in domestic finance businesses and restructure our portfolio.
- Reduce losses and collect the maximum amount of debt in problematic U.S. projects.

\*1 O&D (Origination & Distribution): A business model for real estate non-recourse loans aiming to increase profitability through sales or sub-participation of loans in part to external parties such as by dividing loans into senior loan portions and subordinated loan portions.

## Summary of 2025 MTMP Progress

- ▶ In FY2023, we began providing an integrated EV service in Japan and merged two domestic automotive leasing companies.
- ▶ We will further enhance the integrated EV service and maximize the synergy of integrating domestic automotive leasing businesses.

(JPY100Mn)	FY2022	FY2023	YoY
Net Income	37	27	-10
Segment Assets	414	519	+105
ROA	4.2%	5.9%	+1.7pt

## Details of 2025 MTMP Progress

### Major Strategies Set when the 2025 MTMP was Formulated

- Develop and commercialize an integrated EV service that can extensively provide functions necessary for introducing and operating EVs, such as constructing charging facilities networks, reusing automotive batteries, and supplying renewable energies.
- Create synergy early on through the merger of two automotive leasing companies in Japan.
- Expand our mobility business base by collaborating with strategic partners in the ASEAN region, etc.

### Major Initiatives in FY2023

- Began providing an integrated EV service in Japan that includes support for introducing and operating EVs and charging facilities, the provision of parking lots where charging facilities can be installed, and the supply of renewable energy.
- Merged two domestic automotive leasing companies aiming to create synergy through the integration.
- Established and began operating an automotive leasing company jointly with Ayvens<sup>\*1</sup> in Thailand.

\*1 A new brand created through the merger of ALD Automotive and LeasePlan, global automotive leasing industry companies.

### Road to Achieving the 2025 MTMP

- Expand domestic and overseas EV integrated services.
- Generate cost synergies and strengthen sales capabilities from the merger of the two domestic automotive leasing companies.

# Business Strategies (Key Themes across Segments) MITSUBISHI HC CAPITAL

- ✓ These four key themes contribute to “sowing seeds,” a key word in the 2025 MTMP. The initiatives are largely progressing steadily, although timeframes for generating profits differ per theme.
- ✓ Collaboration between segments has been stimulated through initiatives for each theme.

## Hydrogen

### Future Vision

**As a leading holder of renewable energy power sources in Japan, we will contribute to building a hydrogen supply chain with green hydrogen at the core**

### Major Initiatives in FY2023

- Set individual themes for domains with demand for hydrogen. Considered the origination of verification projects, etc. together with partner companies, for each theme of airports/aviation, urban development, decentralized autonomous communities (remote islands, etc.), logistics industry, etc.

## Logistics

### Future Vision

**To address social issues and customer needs in logistics supply chains, develop and provide optimal logistics solutions by collaborating with leading partners and thereby achieve a full line-up of logistics services**

### Major Initiatives in FY2023

- Collaborated with logistics solutions partners such as LOGISTEED and NEXT Logistics Japan and made joint proposals to MHC’s customers.

## EVs

### Future Vision

**Contribute to realizing a carbon-neutral society based on EVs**

### Major Initiatives in FY2023

- Began providing an integrated EV service that makes comprehensive proposals in Japan and overseas regarding the introduction and the operation of EVs and charging equipment, parking lots where charging equipment can be installed, and the supply of renewable energy.

## Decarbonization Solutions

### Future Vision

**Evolve into an integrated service provider to realize a decarbonized society**

### Major Initiatives in FY2023

- Developed and proposed an integrated service for managing customers’ energy and facilities and began providing a service to help customers formulate a CO2 reduction roadmap.

- ✓ Initiatives to enhance corporate functions, which underpin the achievement of financial and non-financial targets and the steady implementation of business strategies, have progressed smoothly. We will further refine initiatives related to the enhancement of human capital, one of the most important themes of MHC's corporate functions, and various risk management frameworks.

## Fostering and Securing Talent

### FY2023 Results (Major Initiatives)

- Provided learning opportunities to all employees, in addition to considering a talent portfolio strategy which contributes to the transformation of our business portfolio (with a talent development investment of 390 million yen).
- Carried out referral-based recruitment activities, etc. aiming to increase the amount of talent.
- Enhanced the engagement survey.

### FY2024-2025 Plan (Major Initiatives)

- Establish frameworks to steadily promote the qualitative transformation of the abilities of our talent, contributing to the transformation of our business portfolio, and consider and implement measures based on them (such as by providing opportunities for employees to learn and accumulate experiences according to their individual characteristics).
- Implement initiatives to enhance mid-career recruitment such as by considering a remuneration system based on each employees' contribution to business results.
- Introduce engagement indicators and enhance their analysis and implement measures to improve them.

## Bolstering the Financial Base and Internal Organizational Base

### FY2023 Results (Major Initiatives)

- Promoted transactions with financial institutions and investors toward diversifying fund procurement methods while maintaining a robust financial base.
- Established a risk appetite framework in preparation for beginning the trial operation. Established a credit management framework related to the development of new businesses and new products.

### FY2024-2025 Plan (Major Initiatives)

- Continue to implement initiatives for procuring stable and competitive funds and expanding funding capacity, as well as enhancing the ALM framework.
- Review the credit management framework aiming to respond to the transformation of our business portfolio.

## Enhancing the Corporate Governance Framework

### FY2023 Results (Major Initiatives)

- Enhanced the Group-wide risk management framework based on the 3LoD (three lines of defense) model.
- Enhanced the governance framework on a global basis such as by conducting global joint audits.

### FY2024-2025 Plan (Major Initiatives)

- Improve the efficiency of the risk management framework.
- Further enhance the governance framework on a global basis.

## Improving Stakeholder Engagement

### FY2023 Results (Major Initiatives)

- Enhanced dialogues with external stakeholders by increasing opportunities to communicate information to individual investors and deepening relationships with media outlets, in addition to enhancing the content of disclosure materials.
- Analyzed scores assigned by ESG assessment institutions and clarified the method of assessing social impacts.

### FY2024-2025 Plan (Major Initiatives)

- Hold IR briefing sessions per business segment for investors, etc. and strengthen points of contact with media outlets by holding a media round table, etc. Also, diversify public relations and advertising methods.
- Establish a PDCA cycle for sustainability management.

- ✓ Employees' awareness of transformation has been steadily fostered ( (1) "Lay" the foundation of transformation). Regarding the initiatives to actually create and promote transformation ( (2) "Create" transformation, (3) "Promote" transformation), we launched an intra-entrepreneurship program and established and changed various rules in FY2023, and plan to further expand such initiatives in FY2024 and beyond.

## (1) "Lay" the foundation of transformation > Foster all employees' awareness of transformation.

### FY2023 Results (Major Initiatives)

- Conducted a survey on the 2025 MTMP. Based on the survey results, implemented initiatives to foster awareness of transformation.
- Enhanced opportunities to transmit information from management to employees by opening a blog of the President & CEO, etc.

### FY2024-2025 Plan (Major Initiatives)

- Implement initiatives to save time through business process re-engineering, etc.
- Under the leadership of Division Head, each division implements initiatives to promote transformation.

## (2) "Create" transformation > Develop frameworks so that efforts contributing to transformation can be actively launched.

### FY2023 Results (Major Initiatives)

- Implemented the first round of the intra-entrepreneurship program in the Zero-Gravity Venture Lab (called "ZERO-GRA") and reinforced initiatives including the program to seek business ideas.
- Began implementing a new organizational evaluation system to promote transformation.

### FY2024-2025 Plan (Major Initiatives)

- Implement the second round of the intra-entrepreneurship program in addition to verifications toward the commercialization of the first round of projects. Consider the further expansion and improvement of the initiative.
- Consider the further improvement of the organizational evaluation system.

## (3) "Promote" transformation > Develop an agile discussion framework and promote transformation by advancing efficient decision-making processes and the delegation of authority that comes with responsibility, etc.

### FY2023 Results (Major Initiatives)

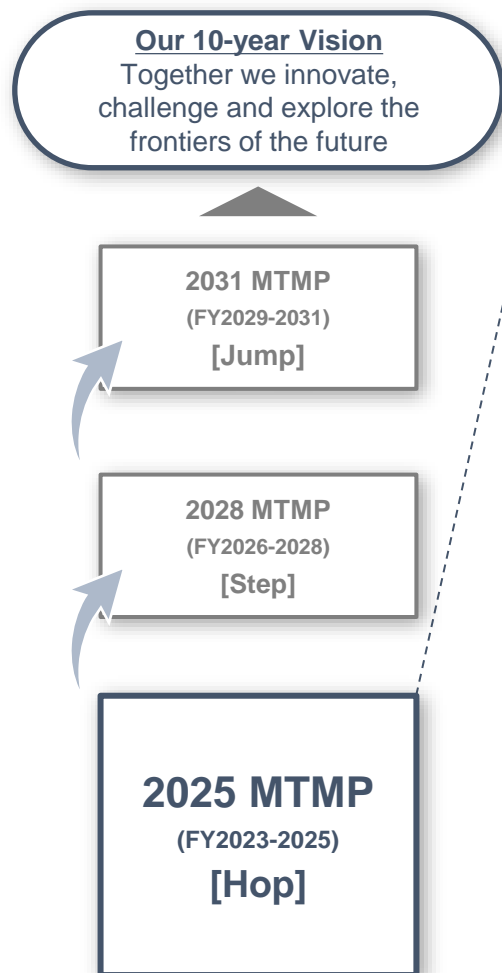
- Established the Innovation Investment Fund (JPY10.0Bn), an in-house investment fund targeted at startups (used for investments worth JPY0.69Bn in seven projects).
- Promoted the delegation of authority to front offices by revising the standards for items to be submitted to the Board of Directors (aiming to spend more time on deliberating important themes.)

### FY2024-2025 Plan (Major Initiatives)

- Consider expanding and improving the Innovation Investment Fund.
- Continue to revise various internal regulations and restructure organizations with a view to decentralization and delegation of authority.

# 【Reference】 2025 MTMP (Content Announced on May 15, 2023)

- ✓ The 2025 MTMP is positioned as the “hop” plan toward achieving Our 10-year Vision. We will promote the evolution and layering of business models while steadily engaging in “sowing seeds” for new domains and “gaining a solid foothold” by redeveloping and redefining existing domains. Thus, we aim to achieve the medium- to long-term enhancement of our corporate value.



## Outline of the 2025 MTMP

- ▶ Increase profitability by promoting the evolution and layering of business models (the accumulation of business types ③, ④, and ⑤ (see the figure on the right) is a key theme).
- ▶ Aim to achieve an optimal balance sheet based on well-balanced growth potential, return on capital, and financial soundness.
- ▶ “Sowing seeds” and “gaining a solid foothold” leading to a leap to the “step” and “jump” plans are the keywords.

## Major Strategies

- ▶ Business strategies  
Implement Company-wide business strategies and business strategies by segment based on the evolution and layering of business models.
- ▶ Corporate functions strategies  
Foster and secure talent and bolster the financial base and internal organizational base.
- ▶ Frameworks to promote transformation  
Promote the awareness reform of employees to achieve transformation.

## Targets

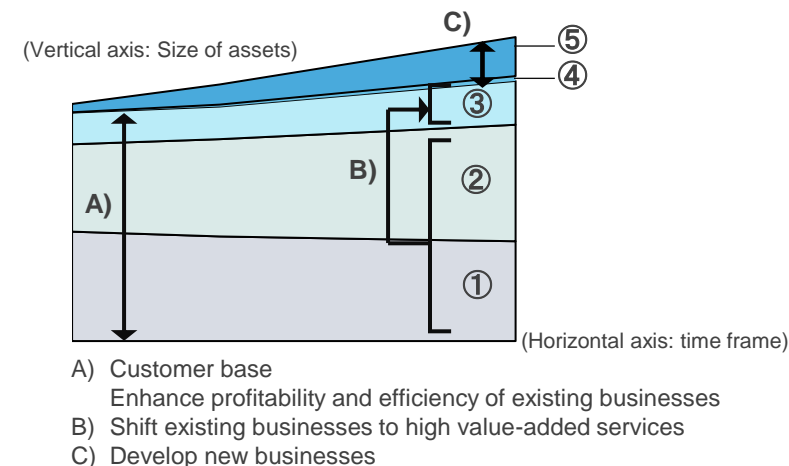
Financial: Net income: JPY160.0Bn, ROA: approx. 1.5%, ROE: approx. 10% (Payout ratio of 40% or more, maintaining A ratings)

Non-financial: GHG emissions (Scope1, 2): FY2030 -55% in FY2030 vs. FY2019 and net zero in FY2050  
Formulate a talent portfolio framework and visualize the level of fulfillment, etc.

## 【Vision of the Evolution and Layering of Business Models】

### Five Business Models

- ⑤ Asset utilization business
- ④ Data utilization platform services
- ③ Finance + services
- ② Asset finance
- ① Customer finance





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## Definitions of Terms and Figures Used in this Presentation

- Net Income : Net income (quarterly/annually) attributable to owners of the parent
- ROA : 
$$\frac{\text{Net income}}{(\text{total assets at the end of previous FY} + \text{total assets at the end of this FY}) / 2}$$
- ROE : 
$$\frac{\text{Net income}}{(\text{equity at the end of previous FY} + \text{equity at the end of this FY}) / 2}$$
- Segment Assets : Operating assets + equity-method investments + goodwill + investment securities, etc.