

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

Mitsubishi HC Capital Inc.

May 16, 2025

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Definitions of Terms and Figures Used in this Presentation

- | | |
|--|---|
| <ul style="list-style-type: none">■ MHC: Mitsubishi HC Capital■ EE: European Energy (renewable and next-generation energy company)■ JSA: Jackson Square Aviation (aircraft leasing company)■ elfc: Engine Lease Finance (aircraft engine leasing company)■ inav: an engine parts sales company, which is a wholly-owned subsidiary of elfc■ CAI: CAI International (marine container leasing company)■ CPD: CenterPoint Development (became a wholly-owned subsidiary in April 2023) | <ul style="list-style-type: none">■ Income Gain: Gross profit other than asset-related gain/loss + non-operating income/loss (do not include gains on bad debts recovered)■ Net Income: (Quarterly/annual) net income 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: $\frac{\text{Net income}}{(\text{equity capital at the end of previous FY} + \text{equity capital at the end of this FY}) / 2}$■ Segment Assets: Operating assets + equity method investments + goodwill + investment securities, etc. |
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01 | Progress of the Medium-term Management Plan (2025 MTMP) - Overview

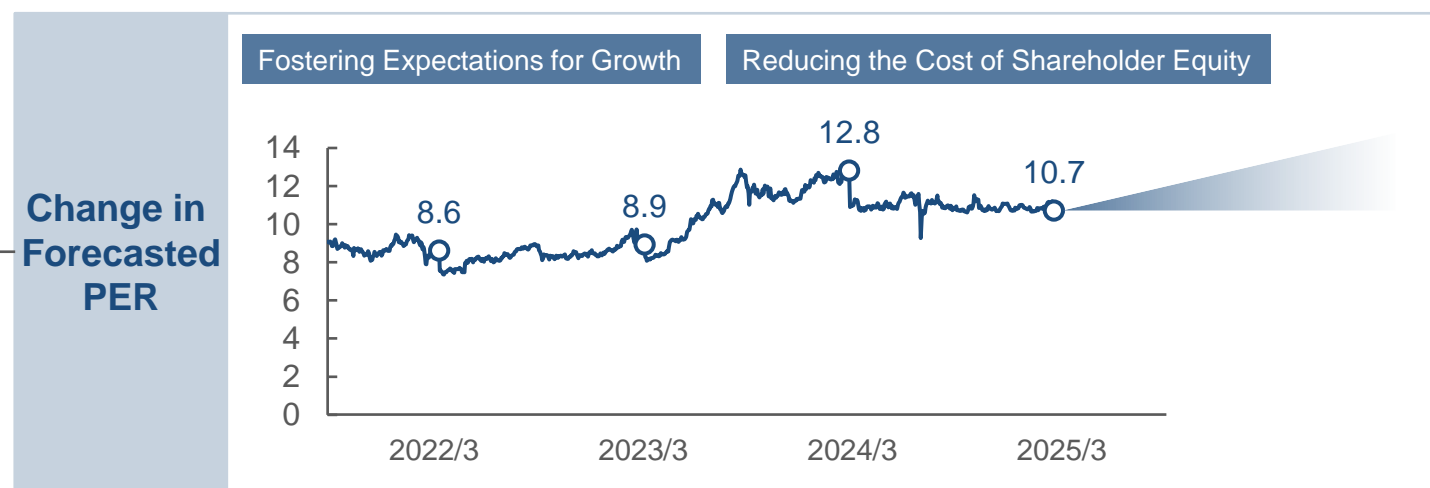
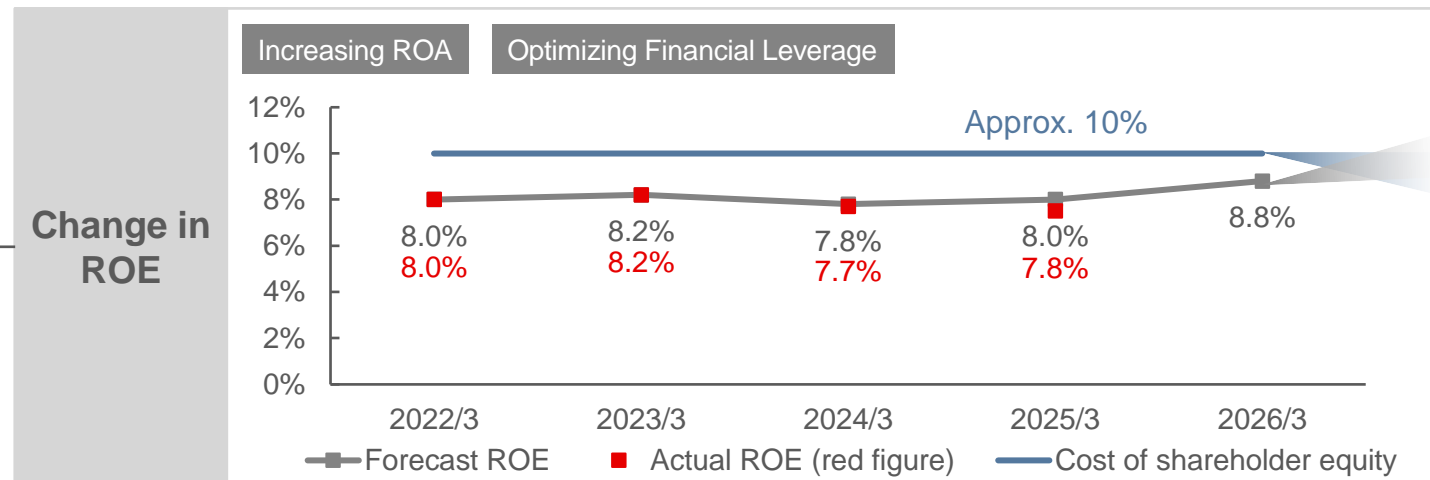
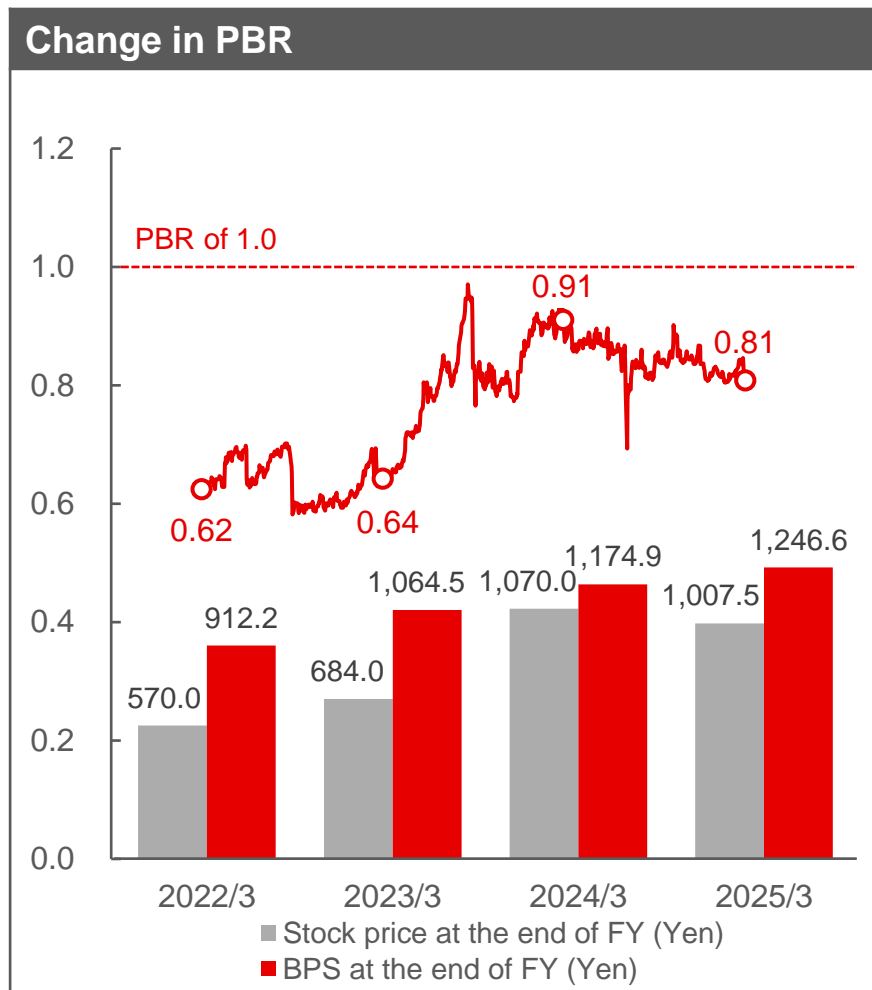
02 | Progress of the Medium-term Management Plan (2025 MTMP) - Strategy Details

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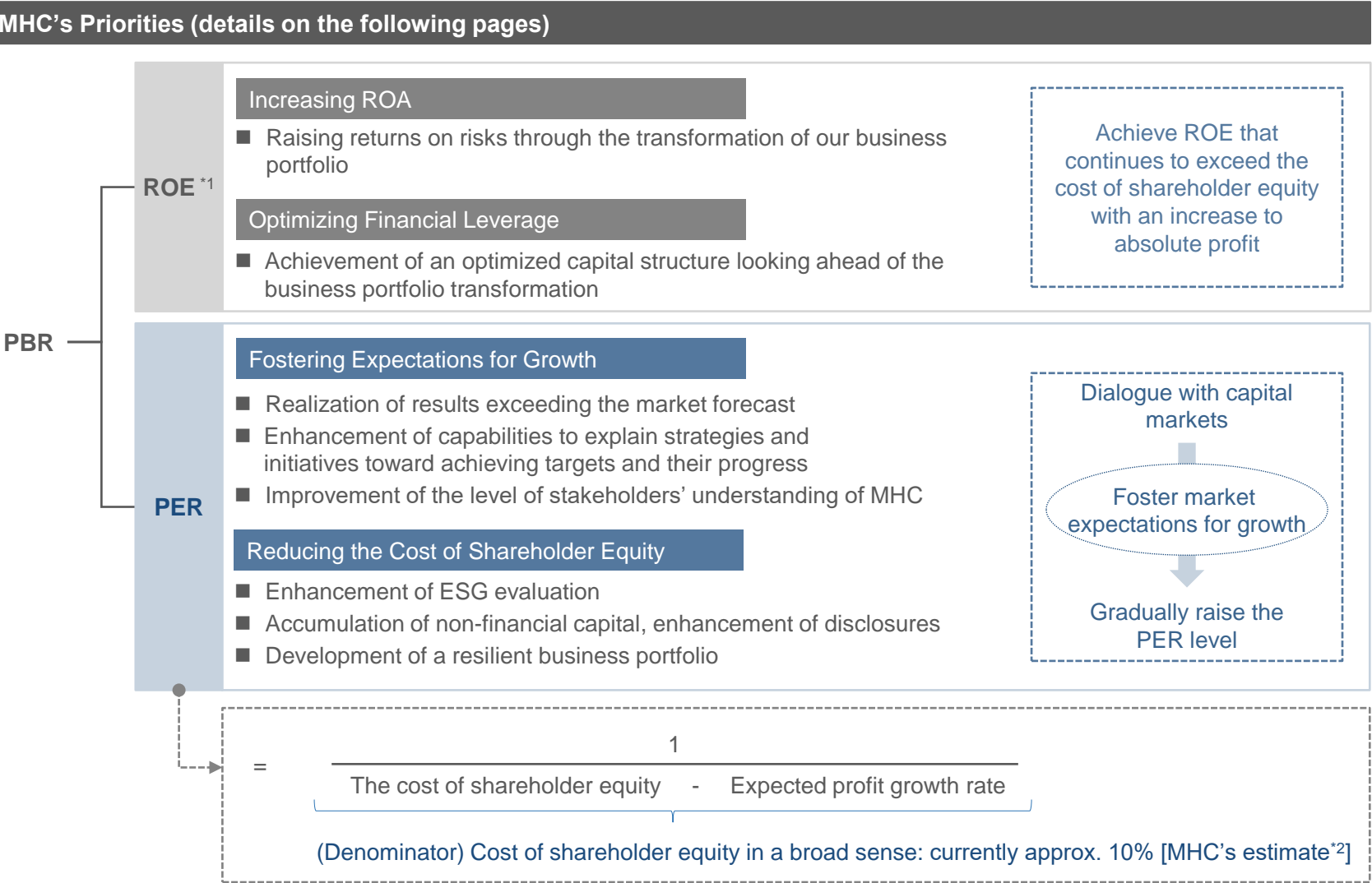
Understanding of the Current Situation toward the Enhancement of Corporate Value

- ✓ Although PBR is on an upward trend, it is still under 1.0.
- ✓ In consideration of the understanding of the current situation, we aim to enhance our corporate value by realizing ROE exceeding the cost of shareholder equity and raising the level of PER by fostering expectations for growth and reducing the cost of shareholder equity.



Actions toward the Realization of Management Focusing on the Cost of Shareholder Equity and Stock Price

✓ We are promoting the following measures based on the understanding of current situations.



*1 ROE=ROA×Financial Leverage
*2 MHC's estimate is roughly equal to the cost of shareholder equity confirmed through dialogue with investors

Progress of Actions toward the Realization of Management Focusing on the Cost of Shareholder Equity and Stock Price (1/2)

✓ Specific results and the future direction toward the improvement of ROE and PER are as below. We will further accelerate actions toward the realization of targets.

	MHC's Priorities	Initiatives in FY2024	Results	Future Direction							
ROE	Increasing ROA		<ul style="list-style-type: none">■ Replacement of assets progressed including new investments■ “Sowing seeds” progressed through the Innovation Investment Fund and other initiatives <div>See pages 12-13 and 17-18</div>	<ul style="list-style-type: none">■ Further improve profitability by replacing assets with high-profit assets, etc.							
	<ul style="list-style-type: none">■ Raising returns on risks through the transformation of our business portfolio	<ul style="list-style-type: none">■ Monitor the progress of the evolution and layering of business models by segment■ Analyze and evaluate the return on capital per business and promote management strategies	<ul style="list-style-type: none">■ Discussions by management on business strategies based on the return on capital became more active	<ul style="list-style-type: none">■ Further instill return on capital within the Company and begin to review the business portfolio on a full scale based on return on capital■ Formulate plans and thoroughly manage progress regarding the restructuring of and the withdrawal from businesses facing challenges							
	Optimizing Financial Leverage	<ul style="list-style-type: none">■ Achievement of an optimized capital structure looking ahead of the business portfolio transformation■ Shareholder returns that allow for a sound financial base and a proactive investment strategy	<ul style="list-style-type: none">■ Dividend per share: 40 yen (Payout ratio: 42.5%)■ Maintaining A ratings <table><tr><th>S&P</th><th>Moody's</th><th>JCR</th><th>R&I</th></tr><tr><td>A-</td><td>A3</td><td>AA</td><td>AA</td></tr></table>	S&P	Moody's	JCR	R&I	A-	A3	AA	AA
S&P	Moody's	JCR	R&I								
A-	A3	AA	AA								

Progress of Actions toward the Realization of Management Focusing on the Cost of Shareholder Equity and Stock Price (2/2)

MHC's Priorities		Initiatives in FY2024		Results	Future Direction
PER	Fostering Expectations for Growth	Item	Plan	Market Forecast* ¹	Results
	■ Realization of results exceeding the market forecast	ROE	8.0%	7.8%	7.8%
		ROA	1.2%	-	1.2%
		Net Income	JPY135.0Bn	JPY134.4Bn	JPY135.1Bn
	■ Enhancement of capabilities to explain strategies and initiatives toward achieving targets and their progress	■ Disclose the target ROA by segment (three categories* ²) for FY2025 ■ Enhance information disclosure to include the results of restructuring our portfolio, detailed explanation on credit costs, etc.		■ Essential dialogue with investors increased	■ Specify the growth strategies for raising the probability of achieving financial targets (especially for ROE) ■ Disclose the net income target by segment (three categories* ²) for 2025 ■ Set highly relevant KPIs that enable the achievement of financial plans
	■ Improvement of the level of stakeholders' understanding of MHC	■ Hold Business Segment Meetings (Aviation, Logistics) ■ Disclose materials related to the progress of the MTMP(which also include the progress of business strategies by segment)		■ Investors' and analysts' understanding of MHC's business deepened	■ Continue to hold Business Segment Meetings ■ Further improve the level of understanding of MHC's business by disclosing specific strategies of each segment
Reducing the Cost of Shareholder Equity		■ Acquire third-party assurance regarding GHG emissions (Scope 1-3), expand the scope subject to the accounting of Scope 3 emissions, and enhance human rights initiatives ■ Make progress toward achieving non-financial targets		■ Scores from ESG assessment organizations improved ■ Steady progress made on non-financial targets	■ Create both social value and economic value by strengthening connections between our business strategies and materiality ■ Enhance the accumulation of non-financial capital, further improve disclosures
■ Development of a resilient business portfolio		■ Develop a Company-wide portfolio resilient to changes in internal and external environments (volatilities)			■ Further enhance risk management and governance according to changes in business models

*1 The average of figures forecasted by analyst firms that cover MHC (as of March 2025)

*2 The three categories: Customer Solutions segment, Global Business segment, and other specialized business segments

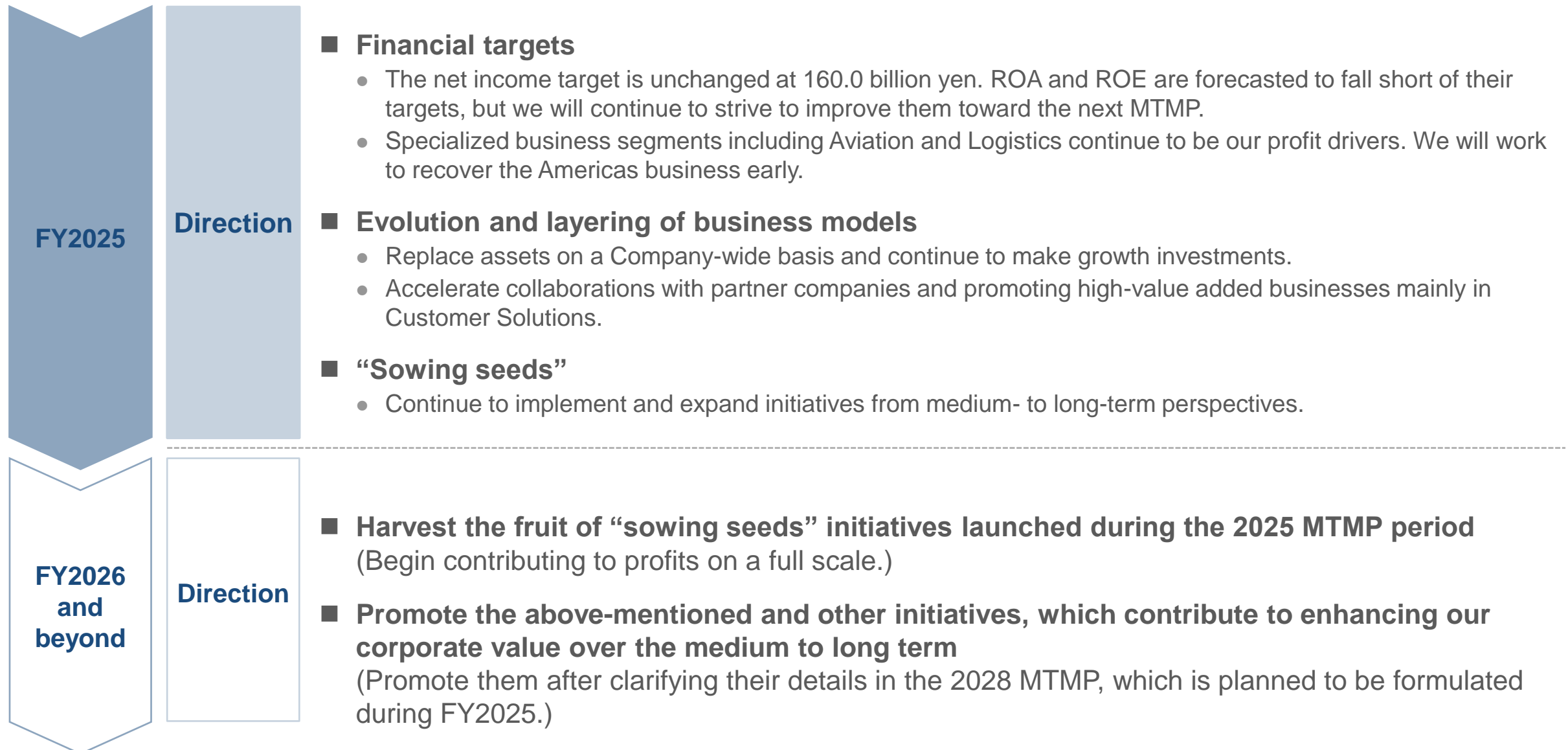
FY2023-
FY2024

Results

- **Financial targets (see page 10)**
 - Net income and ROA have steadily improved as planned.
- **Non-financial targets (see page 11)**
 - Have steadily progressed with some targets achieved ahead of schedule.
- **Business portfolio transformation (see pages 12-13)**
 - The replacement of assets has progressed smoothly toward the improvement of capital efficiency and future growth.
- **“Sowing seeds” for the future (see pages 14-18)**
 - Started to work on developing projects associated with the key themes across segments and frameworks to promote transformation.

Issues

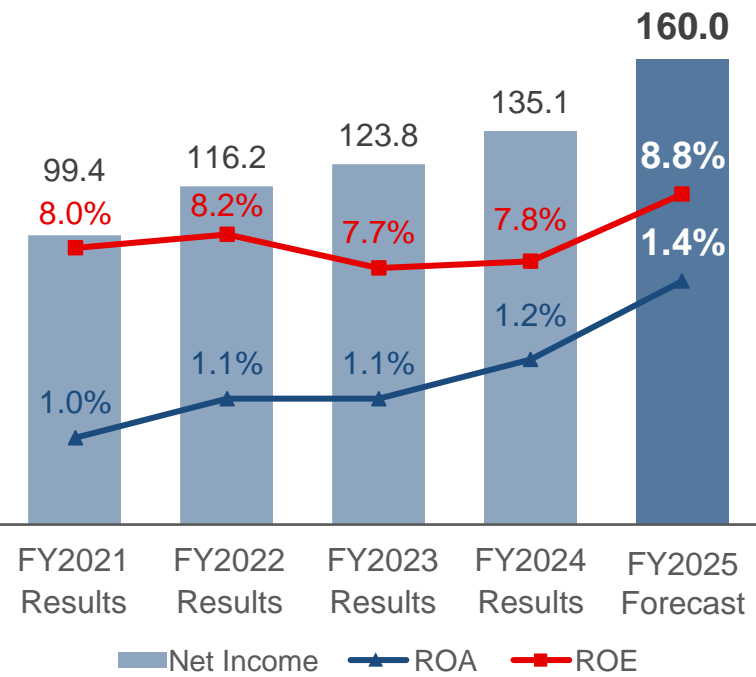
- **Evolution and layering of business models in all domestic businesses**
 - Acceleration of the enhancement of collaboration with partner companies and the realization of businesses to provide high-value added services.
- **Americas business in Global Business**
 - The restructuring of sales finance for commercial trucks and the early recovery of profitability through portfolio diversification.



Financial Targets

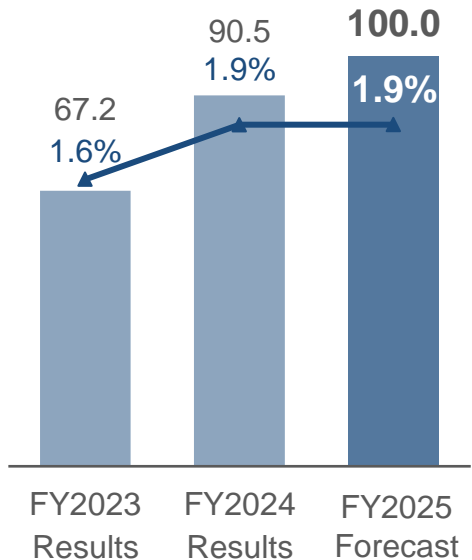
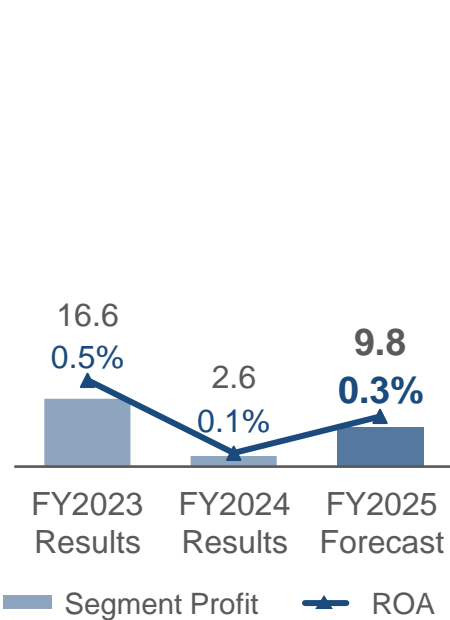
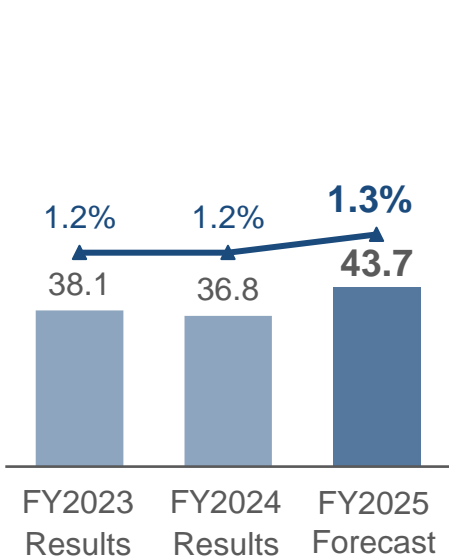
- ✓ Against our financial targets for FY2025—net income of JPY160.0 billion yen, ROA of approx. 1.5%, and ROE of approx. 10%—our business results are forecasted to be a net income of 160.0 billion yen, an ROA of 1.4%, and an ROE of 8.8%. Thus, we expect to fall short of the targets for ROA and ROE (details are on [page 23 of Financial Results for the Fiscal Year Ended March 31, 2025](#)).
- ✓ When formulating the 2025 MTMP, Global Business, Aviation, and Logistics were planned to drive profits. We expect to achieve the initial net income target of 160.0 billion yen thanks to business growth exceeding the forecast in Aviation and Logistics despite underperformance in Global Business mainly due to credit costs remaining high in the Americas.

Net Income (billion yen), ROA, ROE



[Reference] Segment Profit (billion yen)*1 and ROA*2

Customer Solutions	Global Business	Specialized Business Segments*3
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*1 The total figures for the Customer Solutions, Global Business, and specialized business segments are not equal to net income because they do not include “Adjustments” figures, which are recorded in the head office account
*2 Calculated by dividing the numerator (segment profit) by the denominator (average total assets during-the-term by segment). Some figures are not equal to segment ROAs, which are calculated by using segment assets
*3 ROA is the weighted average of the Environment & Energy, Aviation, Logistics, Real Estate, and Mobility segments

Non-financial Targets

- ✓ Steady progress has been made on non-financial targets. We have already met the targets for DX, energy consumption, etc.
- ✓ Particularly regarding the human capital and intellectual capital targets, we will enhance our corporate value by continuing to implement initiatives to realize an optimized talent portfolio and maintain and improve employee engagement.

Evaluation Legend: ◎ Target met, ○ On schedule

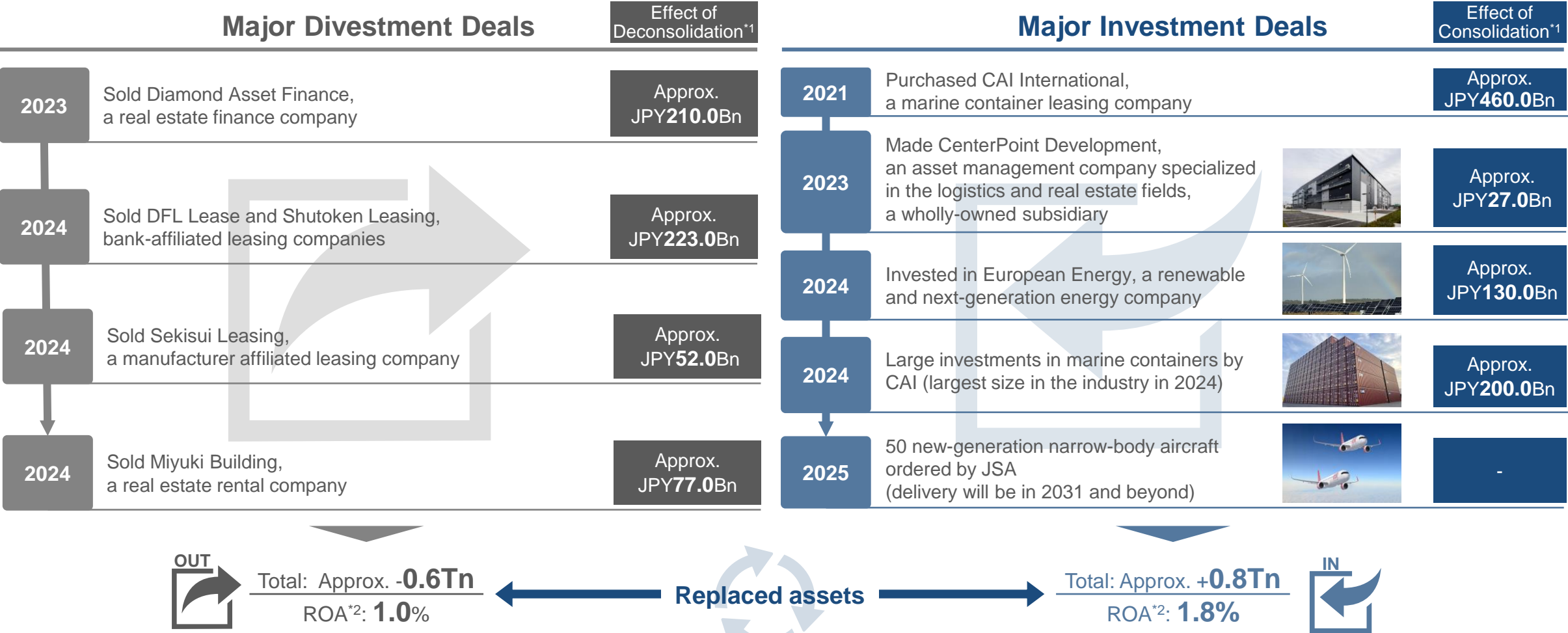
	KPI (italics in parentheses: target scope (consolidated or non-consolidated))	:	Targets (2025 MTMP)	FY2024 Results	
				Results	Evaluation
Human Capital	Level of fulfillment of a talent portfolio in line with our management strategies (non-consolidated)	:	Formulate a talent portfolio framework and visualize the level of fulfillment	Visualized our talent information and categorized necessary roles.	○
	Results of the employee engagement survey (non-consolidated)	:	Refine the survey content and enhance analysis	Refined analysis by quantifying survey results, etc. (75% of all departments are classified as a department with a high level of engagement that satisfies a certain standard*1)	○
	DX Assessment*2 Percentage of standard- or higher-level talent (non-consolidated)	:	80% or more	85% (+38.0pt YoY)	◎
Intellectual Capital	Monthly average overtime hours (operational efficiency) (non-consolidated)	:	14 hours or less	15 hours and 47 minutes (-3.0 hours YoY)	○
	Rate of annual paid holidays taken by employees (non-consolidated)	:	70% or more	76.9% (+2.5pt YoY)	◎
Manufacturing Capital	GHG emissions amount (Scope 3) (consolidated)	:	Analyze the categories which have a major impact and visualize Scope 3 emissions	Calculated GHG emissions (Scope 3) from transactions in Aviation and Real Estate, obtained third-party assurance, and disclosed data	○
Natural Capital	GHG emissions amount (Scope 1,2) (consolidated)	:	-55% in FY2030 vs. FY2019 and net zero in FY2050	FY2023 result: -41.8% (FY2024 result is being calculated)	○
Social and Relation Capital	Energy consumption (domestic) (non-consolidated + domestic Group companies)	:	-1% YoY continually	FY2023 result: -4.1% (FY2024 result is being calculated)	◎

*1 When employees work together to create value, the situation is defined as having a high level of engagement. Departments are classified into three categories according to indicators showing the level of their engagement, and the departments classified into the top two categories with their employees working together to create value are deemed to have a high level of engagement

*2 DX Assessment: A tool provided by an external vendor for measuring levels of DX literacy. Employees are categorized into three levels: beginner, standard, or expert

Portfolio Restructuring

✓ To increase profitability, we have continued with portfolio management, including the replacement of our assets (including with new investments) and optimizing our risks and returns in consideration of our strategies for and risk characteristics of each business.



*1 Impact on the balance sheet at the time of divestments or investments


*2 Net income divided by total assets (Figures for divestments are from the financial results for the fiscal year preceding the divestments, and figures for investments are from the financial results for the fiscal year ending March 2025. Large investments by CAI in marine containers are not included as they are included in CAI's financial results.

Portfolio Restructuring (Major Investment Deals in FY2024)

1

Investment in “European Energy (EE)”

Investment Overview	<ul style="list-style-type: none">Invested approx. 130.0 billion yen in EE (acquired 20% of EE’s shares).Completed the investment on April 16, making the company MHC’s equity method affiliate.
Background/ Objectives	<ul style="list-style-type: none">Make this investment a pillar of initiatives to strengthen functions for developing the renewable energy business, one of the major environment-related strategies.Contribute to realizing a decarbonized society by further accelerating and promoting the development of renewal energy businesses and next-generation energy businesses on a global basis through the strategic partnership with EE.

Company Overview	
Name	European Energy A/S  EUROPEAN ENERGY
Headquarters	Denmark
Representative	Knud Erik Andersen, CEO
Establishment	April 2004
Countries of Operation	25 countries globally, mainly in Europe

2

Large investment in marine containers by CAI

Investment Overview	<ul style="list-style-type: none">The investment amount was approx. 200.0 billion yen (largest in the industry in 2024).Approx. 700,000 TEU of containers were ordered (approx. 20% of containers held).
Background/ Objectives	<ul style="list-style-type: none">The transportation period was prolonged due to tensions in the Middle East.Demand was front-loaded due to concerns about port strikes on the East Coast of the U.S.



◀ Marine containers in which investment was made

3

Large orders for new-generation narrow-body aircraft by JSA

Investment Overview	<ul style="list-style-type: none">Ordered 50 A320neo family aircraft, (Fuel consumption can be cut by 20% or more compared to old model aircraft. Purchase price has not been disclosed)Delivery is scheduled in 2031 and beyond.
Background/ Objectives	<ul style="list-style-type: none">Steadily accumulate quality assets and accelerate transactions with aviation companies throughout the world.Contribute to decarbonization by increasing the ratio of environmentally-friendly new-generation aircraft in total aircraft held.



◀ Example of aircraft

Key Themes across Segments (1/2)

- ✓ The four key themes below contribute to “sowing seeds,” a key word in the 2025 MTMP. The initiatives are largely progressing steadily.
- ✓ We have started demonstration experiments and to create use cases, working toward achieving the future vision of each theme.

Decarbonization Solutions

Future Vision

Become an integrated service provider that contributes to realizing a decarbonized society

Major Initiatives
in FY2024

- Released GX Assessment Lease,*1 strengthened frameworks for cooperation with partners, etc. to expand the provision of one-stop services.
- Worked on efforts such as the development of internal proposal-making and cooperation systems for expanding renewable energy sources and projects utilizing storage batteries.
- Registered projects for generating carbon credits and worked to find carbon credit consumers to increase transactions.



◀ Started constructing a grid-scale battery storage in Hokkaido Electric Power's service areas, aiming to start operation in January 2027.

FY2025 Plan

- Consider cooperating with partners and strengthening functions in addition to working on efforts to establish one-stop services.
- Sophisticate and diversify proposals related to renewable energy sources, replicate projects utilizing storage batteries, and develop business models and schemes utilizing new technologies and functions.
- Increase transactions by developing projects that newly generate carbon credits, assessing trends, etc.

*1 GX Assessment Lease: A proprietary lease installment program that helps customers install low-carbon facilities

EV

Future Vision

Contribute to realizing a carbon neutral society based on EVs

Major Initiatives
in FY2024

- Cooperated with AAKEL*2 in EV energy management and other fields.
- Together with Mitsubishi Auto Leasing, started to collaborate with GO to develop and expand EV charging infrastructure for corporate use
- Accelerated activities for making integrated EV service proposals through co-creation projects with Japanese and foreign companies and the Hitachi Group, etc.



◀ Collect information from customers considering introducing EVs regarding their issues and needs related to charging infrastructure and support them by introducing the EV charging service “GO Charge” to them, etc.

FY2025 Plan

- Expand integrated EV services through collaboration with internal and external partners.
- Work on efforts related to the EV and battery recycling model, including offering schemes for popularizing used EV leasing

*2 AAKEL (Aakel Technologies Inc.): A startup company offering GHG reduction support systems and EV fleet management systems and other services

Hydrogen

Future Vision

Contribute to building a hydrogen supply chain centered on low-carbon hydrogen production

Major Initiatives in FY2024

- Started considering a green hydrogen production demonstration business in Miyako Island, aiming to implement a resource-recycling, third-party-owned on-site hydrogen supply model for the first time in Japan.
- MHC, East Japan Railway, Hitachi, and Nihon Kensetsu Kogyo developed an off-site hydrogen supply chain using hydrogen derived from renewable energy and started producing, transporting, and using hydrogen at TAKANAWA GATEWAY CITY.
- Started considering the commercialization of a low-carbon hydrogen production project on a commercial scale with a partner company.



◀ Considering shifting the fossil fuels used for water heaters, boilers, etc. to hydrogen with Miyakojima Tokyu Hotel & Resorts, in cooperation with the Yukishio Salt Factory.

FY2025 Plan

- Give shape to the green hydrogen production verification in Miyako Island.
- Advance the low-carbon hydrogen production project, aiming for commercialization by FY2030.

Logistics

Future Vision

Become a company that develops and provides optimal logistics solutions to address social issues and customer needs in logistics supply chains through collaborations with leading partners

Major Initiatives in FY2024

- Worked to expand solutions for streamlining transportation by using systems, introducing digital transformation and standardizing logistics, and building a logistics network, which are common issues in logistics.
- Aiming to improve the environment of high-workload sites, we proposed automation solutions for use within logistics warehouses customized to customers in collaboration with a partner company (Hitachi Group company), with MHC serving as the arranger.



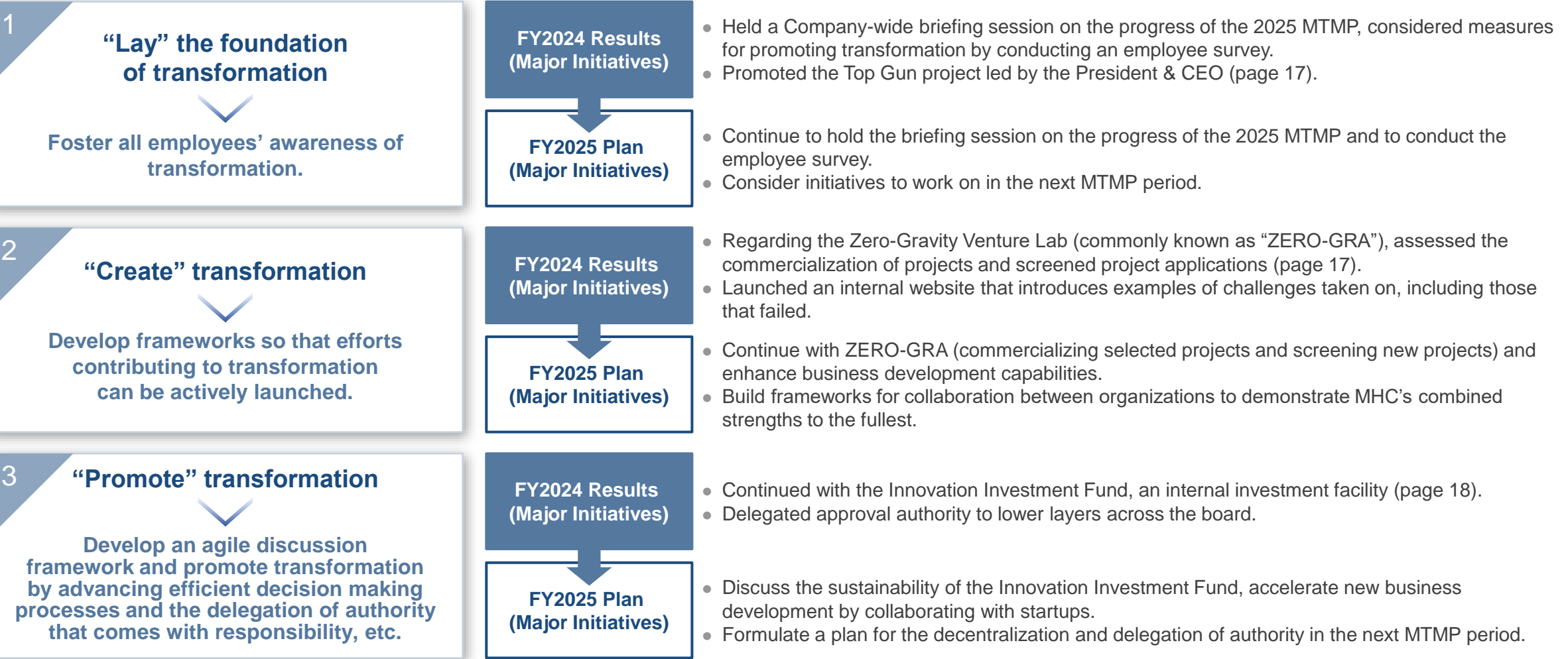
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◀ We automated the unloading of heavy cans, which existing robots could not handle and therefore had been done manually, by using the equipment customized by our partner company. We aim to expand this solution to transportation companies that handle similar goods and to offer a packaged service that includes this equipment.

FY2025 Plan

- Develop several monetization models for use cases and promote the concept of shared warehouses that are provided with logistics assets (material handling equipment, forklifts, etc.) by enhancing our solutions and cooperation with partners.

✓ An awareness of transformation has further taken root among employees through our continued work on and enhancement of each of the initiatives below. Concrete results such as collaborations with startups and the development of solutions have been achieved, which will be leveraged to further accelerate this trend in the final year of the 2025 MTMP and achieve even greater transformation in the next MTMP period.



Frameworks to Promote Transformation (FY2024 Progress) (1/2)

Top Gun—Fostering Company-wide Awareness of Transformation

- **60% or 2,149** out of roughly 3,700 domestic employees submitted applications (suggesting ideas for improving our value provision capabilities, etc.). Workshops were held for applicants who wished to participate, and **17 new projects** were proposed and discussed by 75 employees.
- In March 2025, a final progress briefing was held. For some ideas, full-scale considerations began in FY2025.

Development of Japan's first "nostalgic world" based on the Heisei era

CAPEX that is more cost efficient than purchasing—MHC to function as auto industry infrastructure

Excerpts from 17 themes

Dairy farming saves the earth?!
Micro-grid business concept

Circular economy business based on the themes of solar panel reuse and recycling



▲ Final progress briefing

ZERO-GRA—Fostering Culture, Acquiring Skills, Developing New Businesses/Developing Management Personnel

Program	A	B	B	
	Ideas Submissions Contest	Founder Program	Case: MHC's first company through the Founder Program was established	
	A contest to come up with new ideas (also provides learning opportunities)	A program whereby those who made proposals become project owners and aim to commercialize the projects		
Results	<ul style="list-style-type: none">● 92 ideas were submitted (vs. 52 in the previous fiscal year)● 491 votes in support of the ideas were submitted by employees (vs. 241 in the previous fiscal year)	<ul style="list-style-type: none">● Out of the projects that passed the final screening of the first round, one project led to establishing a new company● One project passed the final screening of the second round (assessment on commercialization will begin on a full scale in FY2025)	<ul style="list-style-type: none">● Out of the two projects that passed the final screening of the first round held in FY2023, the project on refurbishing used semiconductor manufacturing equipment led to establishing a new company, "MHC Semi Technologies, Inc." in February 2025 (operation begun in FY2025).● This initiative contributes to "Realize the Circular Economy," one of our Group's materiality.	



▲ Example of used semiconductor manufacturing equipment

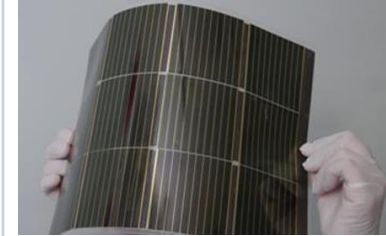

Frameworks to Promote Transformation (FY2024 Progress) (2/2)

Innovation Investment Fund—Promoting Open Innovation with Startups

- We invested a total of 2.86 billion yen in 19 companies by the end of March 2025. The average investment amount per company was approx. 150 million yen.
- We are making further investments, mainly in growth domains such as robotics, environment (decarbonization), healthcare, real estate, and mobility.

Investments Made (April 2023-End of March 2025)

	#	Investee Company	Business Description
FY2023	1	Tabist	Provides DX services for accommodation management and pricing
	2	ZERO	Operates vending machines that reduce food waste
	3	Credit Engine Group	Develops and provides online lending platforms
	4	MedUp	Provides tools for managing cooperation between medical institutions
	5	M-INT	Builds e-referral letter systems and medical resources databases
	6	matsuri technologies	Operates private lodging and short-term rental services
	7	Aakel Technologies	Provides systems consulting services for companies' decarbonization efforts
	8	MUSE	Develops service robots for retail stores
	9	Formic Technologies	Provides EaaS solutions for industrial robots for small- and medium-sized manufacturers
	10	Mnes	Develops remote image diagnostics and medical support cloud services
FY2024	A 11	EneCoat Technologies	Develops materials and film formation technologies for perovskite solar batteries
	12	SoLARIS	Develops piping inspection robots for factories, public infrastructure, etc.
	13	AEOS	Develops and operates IT environments for sharing health-related information
	B 14	LexxPluss	Develops and sells autonomous transport robots
	15	SPACECOOL	Engages in R&D, manufacturing, and sales of optical films with radiational cooling properties
	16	PXP	Engages in R&D, manufacturing, and sales of flexible solar cells
	17	KEN ROBOTECH	Develops and manufactures manpower-saving and labor-saving robots for construction sites
	18	renoveru	Provides housing and CRE renovation platforms
	19	IDOM CaaS Technology	Operates car leasing and rental business utilizing a unique screening system and an AI-based residual value estimation model

Examples	
A EneCoat Technologies (Domain: Environment)	B LexxPluss (Domain: Robotics)
Started testing power generation at locations where conventional solar batteries were difficult to install, by using high-output film-type perovskite solar batteries manufactured by EneCoat Technologies.	Started to provide a subscription service of automated indoor transport solutions featuring technologies of both AGVs, ^{*1} which follow pre-set paths, and AMRs, ^{*2} which independently determine the paths they will follow.
	
▲ Perovskite solar battery	▲ Automated transport robot developed by LexxPluss

^{*1} Abbreviation of automatic guided vehicle

^{*2} Abbreviation of autonomous mobile robot

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Summary of 2025 MTMP Progress

- Net income for FY2024 decreased YoY mainly due to a decrease in income gain. We made steady progress in the transfer of shares of Group companies as a part of our portfolio transformation.
- We launched multiple high value-added businesses, also in collaboration with external partner companies in response to social issues and customer needs.

Details of 2025 MTMP Progress

Major Strategies Set when the 2025 MTMP Was Formulated

- Leveraging our solid customer base, accelerate the creation of collaboration businesses based on multi-layered customer relationships and shareholder channels, etc.
- Provide new services leading to the evolution and layering of business models.
- Pursue efficiency by establishing new sales processes that utilize data and digital technologies.

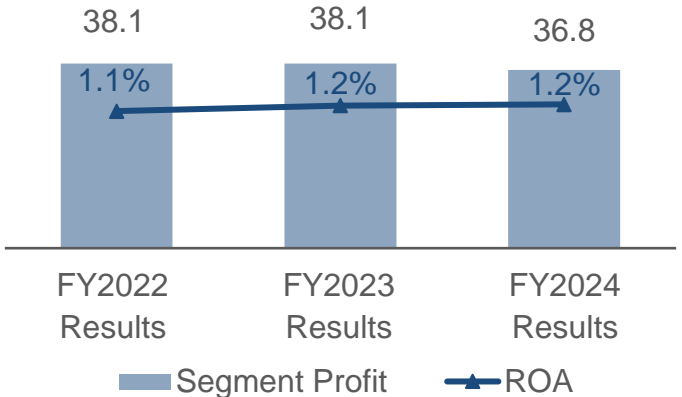
Major Initiatives in FY2024

- Although initiatives to further develop high-value added businesses with external partner companies have steadily progressed (FY2024: announcements were made for seven collaborative projects, demonstration experiments were conducted for seven projects, offering of services began for 10 projects), we need to accelerate initiatives to further contribute to profit.
- Introduced a new CRM system^{*1} as a platform for sales process transformation. Promoted the unified management of customer and sales data and improved targeting accuracy by utilizing data.
- Made progress in reviewing our asset portfolio, such as the transfer of Sekisui Leasing's shares and the reduction of strategic shareholdings.

Road to Achieving the 2025 MTMP

- Maximize profit by increasing highly profitable segment assets and thereby increasing overall profit as well as by pushing ahead with refurbishment businesses associated with the trading of semiconductors and other machinery and high-profit businesses such as PC-LCM.^{*2}
- Accelerate the rollout of high value-added businesses (demonstration experiments for more than 30 projects are underway) with external partner companies to the market.
- Enhance information sharing among organizations based on the new CRM system and instill proposal-making methods with accurate understanding of customer and social issues to shift to data-driven sales activities.

Change in Segment Profit (billion yen) and ROA



^{*1} CRM (Customer Relationship Management) system: A system for managing customer information

^{*2} PC-LCM (PC- Life Cycle Management): A service responding to customers' various requests, such as the initial setup and installment of PCs, repairing PCs, and providing replacement PCs when PCs break down

Summary of 2025 MTMP Progress

- Net income for FY2024 significantly decreased YoY mainly due to an increase of credit costs caused by sluggish market conditions for the transportation sector in the Americas.
- We will aim to increase overall profit by accelerating each strategy in Europe and the Americas, in addition to strengthening the risk management framework and restructuring our portfolio in the Americas.

Details of 2025 MTMP Progress

Major Strategies Set when the 2025 MTMP Was Formulated

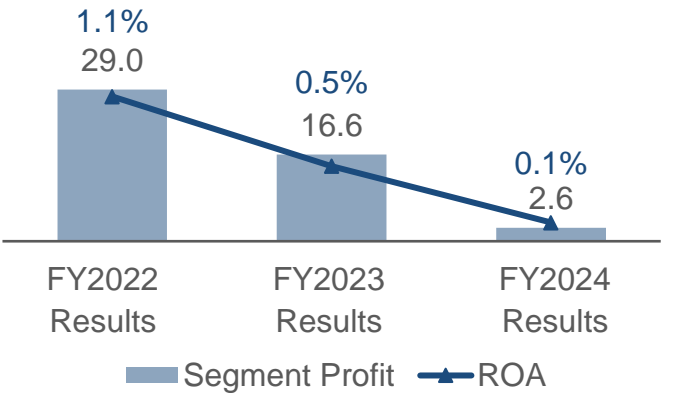
- Diversify businesses, expand our customer base, and shift to high value-added products by considering the social issues and needs of each country and region.
- Increase added value and differentiate our business by digitalizing business processes and providing digital platforms to more vendors and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

Major Initiatives in FY2024

Road to Achieving the 2025 MTMP

- | Region | Initiatives |
|----------|---|
| Europe | <ul style="list-style-type: none">• Recovered margins, steadily increased new transactions, and maintained credit costs at a low level.• Completed the reorganization of the mobility business in Europe, aiming to enhance governance and improve profitability. |
| Americas | <ul style="list-style-type: none">• Enhanced management capabilities in our entire value chain by tightening credit criteria, setting the upper limit for portfolios, reselling our assets under management, etc. |
| Europe | <ul style="list-style-type: none">• Recover the performance of the mobility business in Europe, in addition to growing main businesses.• Increase profitability by streamlining business processes through the accumulation of highly profitable assets and ongoing enhancement of systems and investment in digitalization. |
| Americas | <ul style="list-style-type: none">• In the vendor finance business, expand domains other than the commercial truck business in addition to sophisticating risk management. In the commercial finance business, continue to expand existing businesses and push ahead with initiatives for high added-value products such as as-a-service businesses and FMV leasing.* |

Change in Segment Profit (billion yen) and ROA



* FMV (fair market value) leasing: A flexible leasing agreement in which the customer can choose to return the asset, purchase it at its fair market value, or extend the lease at the end of the leasing term

Summary of 2025 MTMP Progress

- In FY2024, we implemented initiatives to increase profitability, such as grid-scale battery storage business and power generator aggregation, despite recording a temporary loss in a domestic business.
- We will further expand our domestic power generating capacity and develop renewable energy power generation businesses overseas through EE.

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 the added value of our power generating capacity by promoting new businesses such as the battery storage business and power generator aggregation.
- Accelerate the development of renewable energy generation businesses in the U.S. and Europe by strengthening development functions, etc.

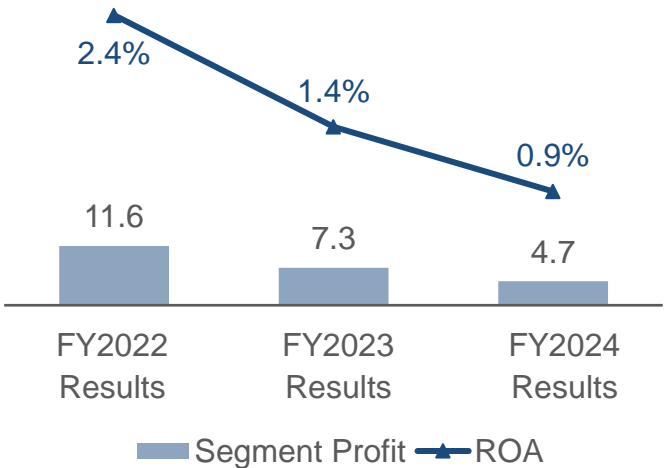
Major Initiatives in FY2024

- Accelerated initiatives related to PPAs^{*1} for roof-mounted solar power generation systems and corporate PPAs.^{*2} For onshore wind power generation, increased FIT and FIP^{*3} projects despite issues such as a delay of the start of operation in some projects.
- Launched the first grid-scale battery storage project aiming to stabilize the supply and demand of electricity by charging and discharging storage batteries.
- Developed a business platform in Europe through EE in which we acquired a 20 percent stake.

Road to Achieving the 2025 MTMP

- Expand our domestic power generating capacity (solar, wind power, etc.) and promote initiatives to increase added value. In addition, execute the sales of some of our solar power generation businesses with the aim of replacing them in our business portfolio and generating profits.
- As for businesses overseas, reshuffle our portfolio by selling infrastructure projects, in parallel with the development of renewable energy businesses through EE.

Change in Segment Profit (billion yen) and ROA



*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

Summary of 2025 MTMP Progress

- In FY2024, we expanded our competitive portfolio such as through active asset turnover capitalizing on market conditions and by improving utilization rates, and achieved higher profitability and record high profits.
- We also made progress in sowing seeds for the future, such as the accumulation of quality assets by strengthening intra-Group collaboration, placing large-scale direct orders, etc., and research on decarbonization businesses including SAF.*

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 achieve business growth and higher profitability.
- Create new businesses (next-generation aviation technologies, decarbonization, etc.) with the aim of developing a business platform for the future.

Major Initiatives in FY2024

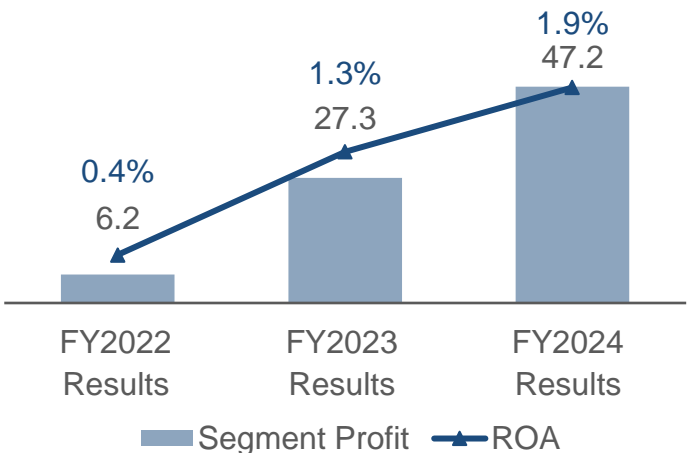
- Established MHC Aviation Services (MHCAS), which operates as an intermediary for sales and the purchase of assets held by JSA and elfc, to strengthen intra-Group collaboration.
- Decided on JSA's ordering of 50 new-generation narrow-body aircraft produced by Airbus.
- Continued to research businesses contributing to decarbonization and sustainable growth, such as the development of related businesses leveraging investments in SAF financing funds.

Road to Achieving the 2025 MTMP

- Increase the asset turnover ratio and profitability through growth strategies such as the diversification of JSA and elfc products as well as further collaboration with Group companies including MHCAS and inav.
- Promote research and development in the fields of next-generation aviation technologies, such as SAF*, and decarbonization, and thereby develop a business platform for the future.

* SAF: Sustainable aviation fuel

Change in Segment Profit (billion yen) and ROA



Summary of 2025 MTMP Progress

- In FY2024, our marine container leasing business achieved record high profits by actively executing new investments and maintaining high utilization rates.
- The railcar leasing business in the U.S. turned profitable through the improvement of income gain by increasing utilization rates, etc., and promoting the asset turnover model.

Details of 2025 MTMP Progress

Major Strategies Set when the 2025 MTMP Was Formulated

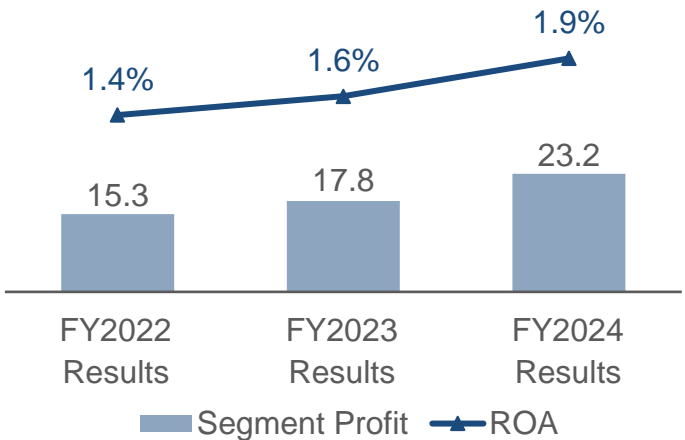
- Further strengthen the marine container leasing business base by using digital technologies, etc. in addition to expanding reselling and trading businesses by leveraging our world-class position in the industry.
- Improve the profitability of the railcar leasing business in the U.S. through portfolio optimization and a shift to the asset turnover model.
- Create new growth opportunities that contribute to realizing a decarbonized and circular society.

Major Initiatives in FY2024

Road to Achieving the 2025 MTMP

- In the marine container leasing business, executed new investments amounting to approx. 200.0 billion yen, which exceeds the initial plan. The business maintained high utilization rates by extending existing contracts or concluding leasing contracts for returned containers, and selling used containers.
- In the railcar leasing business in the U.S., improved utilization rates by converting some unprofitable railcar models and recorded gains on sales by promoting the asset turnover model.
- In the marine container leasing business, increase quality assets through new investments by understanding market conditions, maintain high utilization rates by extending matured contracts or leasing idle containers, and maximize gains on sales.
- In the railcar leasing business in the U.S., increase profitability by maintaining high utilization rates, raising leasing fees, and extending leasing terms, as well as maximizing gains on sales by further promoting the asset turnover model.

Change in Segment Profit (billion yen) and ROA



Summary of 2025 MTMP Progress

- In FY2024, we increased our assets in domestic businesses and made progress in reviewing our portfolio through the transfer of shares of a Group company.
- We will continue aiming to increase profit generated during leasing terms by strengthening development functions and improving capabilities to enhance value, and to generate gains on sales of assets.

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 functions.
- 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 our asset management business.

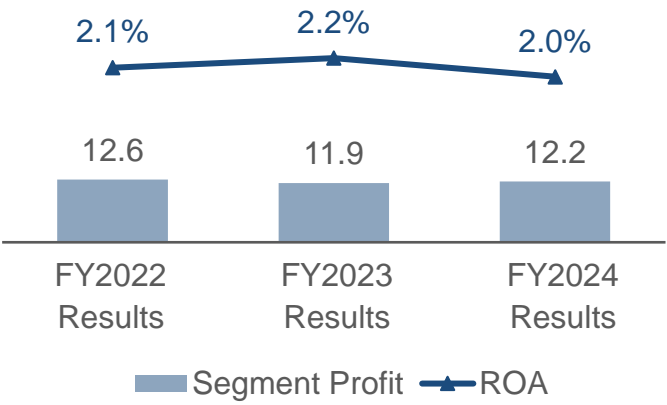
Major Initiatives in FY2024

- Increased investment and lending transactions related to eco- and society-friendly assets such as ZEH*1 housing and properties with environmental certifications, actively invested in logistics facilities development, and implemented initiatives to enhance the value of investment assets.
- Acquired a GRESB*2 rating and began handling new asset classes aiming to expand the investor base.
- Promoted the restructuring of the business division's portfolio by transferring shares of Miyuki Building.

Road to Achieving the 2025 MTMP

- Increase profit generated during leasing terms by strengthening development functions and improving capabilities to enhance value, such as renovation and conversion, and generate gains on sales of assets.
- Strengthen the O&D business by promoting the establishment of funds in the asset management business.

Change in Segment Profit (billion yen) and ROA



*1 ZEH (Net Zero Energy House): A house that aims to achieve net zero energy consumption by improving the insulation performance of the building, reducing energy consumption by installing high-efficiency equipment, and generating renewable energy
*2 GRESB (Global Real Estate Sustainability Benchmark): Benchmarking assessment to measure the ESG integration of owners and asset managers for real assets (real estate and infrastructure) and funds

Summary of 2025 MTMP Progress

- In FY2024, we collaborated with internal and external business partners in Japan to execute initiatives to enhance the functions of integrated EV services and accelerate providing proposals related to those services.
- In ASEAN, we worked on increasing auto leasing assets by strengthening the collaboration with Ayvens,^{*1} etc.

Details of 2025 MTMP Progress

Major Strategies Set when the 2025 MTMP Was Formulated

- Verify the development and commercialization of integrated EV services that can extensively provide functions necessary for introducing and using EVs, such as building charging facility networks, reusing car batteries, and supplying renewable energy.
- Create synergy early on through the merger of two auto leasing companies in Japan.
- Expand our mobility business base by collaborating with strategic partners in the ASEAN region, etc.

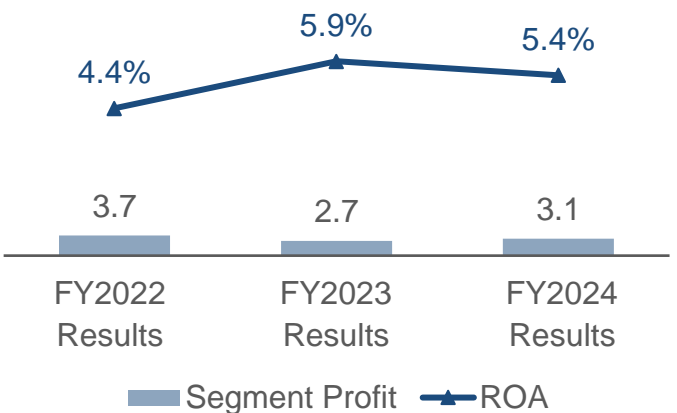
Major Initiatives in FY2024

- Collaborated with internal and external business partners, such as AAKEL^{*2} and GO, which offers a taxi dispatch system, to make proposals to our customer base and thereby identify the issues and needs of integrated EV services.
- Combined post-merger services, customer bases, and other factors of the two domestic auto leasing companies and strengthened sales capabilities to accelerate the creation of synergy through the integration.
- In ASEAN, increased assets in our sites in Thailand, Malaysia, and Indonesia.

Road to Achieving the 2025 MTMP

- In Japan, expand the auto leasing customer base by accelerating proposal-making for integrated EV services, as well as increasing the number of operational vehicles by strengthening sales capabilities following the merger of the two auto leasing companies.
- In ASEAN, collaborate with Ayvens to increase our presence, enhance proposals, etc., and accelerate the acquisition of assets.

Change in Segment Profit (billion yen) and ROA



^{*1} Ayvens: New brand created after the merger of ALD and LeasePlan, which are global companies in the auto leasing industry

^{*2} AAKEL (Aakel Technologies Inc.): A startup company offering GHG reduction support systems, EV fleet management systems, and other services

✓ 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 complete the model development for human capital management, which is one of our most important themes, and for various risk management frameworks. This will lead to the next MTMP.

Fostering and Securing Talent

FY2024 Results (Major Initiatives)

- Visualized our talent information and categorized necessary roles.
- Implemented a remuneration system based on each employee's contribution to business results (aiming to acquire talent in specific industries).
- Revised questions used in the engagement survey and introduced indicators for survey results.

FY2025 Plan (Major Initiatives)

- Visualize the level of fulfillment by understanding the appropriate headcount for each role and matching talent information.
- Expand the scope of the remuneration system based on each employee's contribution to business results.
- Enhance the analysis of the engagement survey and implement measures to maintain and enhance engagement.

Bolstering the Financial Base and Internal Organizational Base

FY2024 Results (Major Initiatives)

- Promoted IR in the major three regions of Japan, the U.S., and Europe, expanded foreign currency debt capacity.
- Established a risk appetite statement for specific businesses.
- Developed the initial environment for Company-wide data utilization based on existing data.

FY2025 Plan (Major Initiatives)

- Sophisticate risk management and reduce the cost of funds by optimizing ALM, introducing CMS in the U.S., etc.
- Improve the risk appetite statement and consider applying it to other businesses.
- Expand the functions and purposes of the environment for Company-wide data utilization in a phased manner.

Enhancing the Corporate Governance Framework

FY2024 Results (Major Initiatives)

- Developed and verified a risk assessment scoring model for new businesses.
- Streamlined procedures at the first and second lines in the 3LoD (three lines of defense) model.
- Implemented unified audits on a Group/global basis.

FY2025 Plan (Major Initiatives)

- Introduce a risk assessment method for new businesses.
- Strengthen risk ownership at the first line.
- Improve audit quality on a Group/global basis.

Improving Stakeholder Engagement

FY2024 Results (Major Initiatives)

- Ran TV commercials and digital advertisements.
- Held Business Segment Meetings for investors (Aviation, Logistics).
- Worked on formulating a transition plan for decarbonization.

FY2025 Plan (Major Initiatives)

- Continue to hold Business Segment Meetings for investors.
- Renew the corporate website on a full scale (scheduled in FY2026).
- Establish a PDCA cycle for sustainability management and disclose its progress.

[Reference] 2025 MTMP (Content Announced on May 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.

Our 10-year Vision
Together we innovate,
challenge and explore the
frontiers of the future

2031 MTMP
(FY2029-2031)
[Jump]

2028 MTMP
(FY2026-2028)
[Step]

2025 MTMP
(FY2023-2025)
[Hop]

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

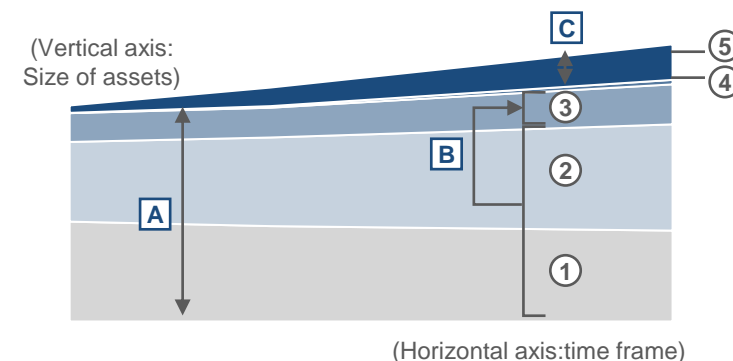
- **Financial:**
Net income: JPY160.0Bn, ROA: approx. 1.5%, ROE: approx. 10% (Payout ratio of 40% or more, maintaining A ratings)
- **Non-financial:**
GHG emissions (Scope1, 2): -55% in FY2030 vs. FY2019 and net zero in FY2050

[Vision of the Evolution and Layering of Business Models]

- A** Customer base
Enhancement profitability and efficiency of existing businesses
- B** Shift existing businesses to high value-added services
- C** Develop new businesses

Five Business Models

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



Information Published on Our Website

Progress of 2025 MTMP



Progress of the 2025 MTMP, the Medium-term Management Plan for the three years from FYE3/2024



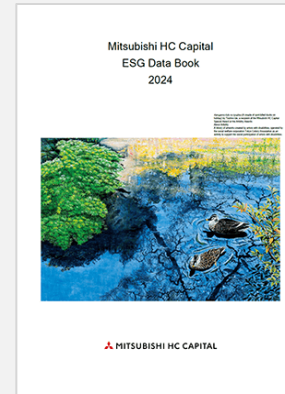
Integrated Report



Financial and non-financial information about the overview of medium- to long-term value creation, management strategies, business performance, ESG information, etc.



ESG Data Book



Initiatives and data related to ESG (environment, society, governance)



Financial Data Sheets



Excel documents containing MHC's historical financial data



Investors' Guide



Basic information, business descriptions by segment, etc. of the MHC Group



Presentation Materials for Business Segment Meetings



Presentation materials for previously held Business Segment Meetings



Information Session for Individual Investors*



Presentation materials for previously held online information sessions for individual investors



* Japanese only



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Mitsubishi HC Capital Search

