

Materiality (Priority Key Challenges)














The Mitsubishi HC Capital Group believes that efforts toward sustainability, such as protecting the global environment, respecting human rights, and embracing diversity, are essential social responsibilities that corporations should fulfill. We believe that for any company to survive moving forward, it must pursue long-term growth while earning the trust of its stakeholders by engaging in business activities for solving issues in terms of the environment, society, and the economy.

We have therefore identified the following six material issues as priority key challenges that must be addressed.

Against a backdrop of megatrends on a global scale such as climate change driven by global warming, population growth, urbanization, and a scarcity of resources in recent years, not only our personal lives but also social environments have been drastically changing worldwide. Under such circumstances, companies are expected to make efforts to solve numerous issues, such as promoting a decarbonized society and building a circular economy.

In our Group, we are committed to effective management and business activities to resolve issues based on appropriate understanding of the material issues.

Materiality of the Group

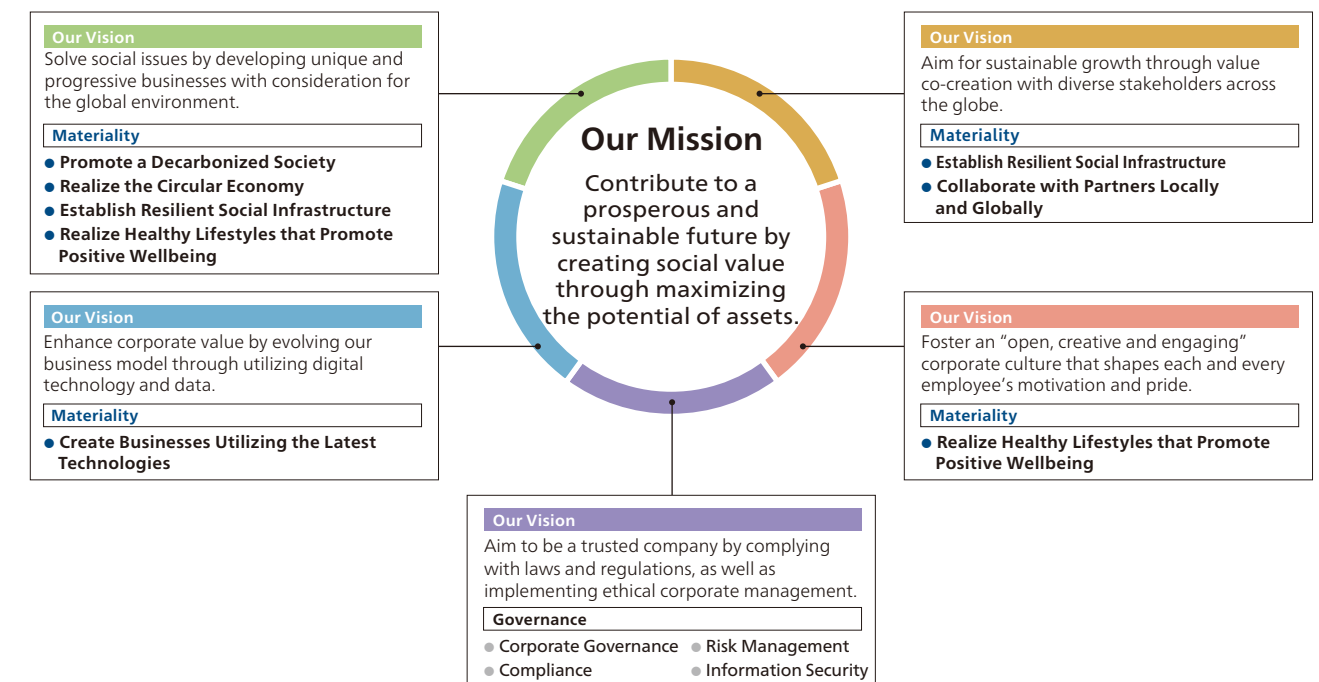
Materiality	Why the Group Treats as Highly Material Challenges	Related SDGs
Promote a Decarbonized Society	<ul style="list-style-type: none"> Efforts to realize a decarbonized society have been globally recognized as an urgent issue and the Group can significantly contribute to solving this challenge through its services and solutions, such as renewable energy investment and EV promotion. It is quite a few impact on but is significant for the Group to distinct its business from the business not solving social issues. 	 
Realize the Circular Economy	<ul style="list-style-type: none"> The Group aims to contribute to creating a circular economy by reducing waste, not only in the Group but also within society through maximizing the potential of assets as a leading leader in the leasing industry. The Group treats this challenge as material. The Group can also contribute to realizing a sustainable and prosperous society through strengthening the collaboration between partners. 	   
Establish Resilient Social Infrastructure	<ul style="list-style-type: none"> Large parts of the infrastructure within Japan needs to be repaired. The Group also recognizes the business has huge potential opportunities to support the development of infrastructure in overseas countries with active collaboration between various partners and create a smart city. The Group will contribute to the business being diversified, enhanced and efficient through establishing the system and providing services for supporting the collaboration of various companies. 	 
Realize Healthy Lifestyles that Promote Positive Wellbeing	<ul style="list-style-type: none"> It is vital for its stakeholders that the Group recognizes the importance of health, safety, mental and physical wellbeing for realizing the prosperous future. Valuable human resources are key. Personal development and attraction and retention of talent is significant for the Group members. 	  
Create Businesses Utilizing the Latest Technologies	<ul style="list-style-type: none"> Both financing for the purpose of digital transformation of customers and providing solution by internal and external digital technologies urge to develop new business models. Including establishing supply chain with utilizing with new alternative energies, the Group identifies material one as the opportunity. 	 
Collaborate with Partners Locally and Globally	<ul style="list-style-type: none"> Social issues differ by countries and regions. It is significant that the Group aims to solve these issues by collaborating with local partners to ensure the Group is meeting individual needs through local community-based communication. The Group can realize mutual benefits in developing society by utilizing the integrated capability in the Group. 	 

Relationship Between Material Issues, Our Mission and Our Vision (Basic Sustainability Policy)

We have established connections with many stakeholders globally and have great potential to contribute to the resolution of social issues. With this potential, we have established Our Mission as our aspiration to create social value together with our customers and partners

and contribute to a sustainable and prosperous future, and Our Vision as what we should aim for in order to realize this aspiration. This integrated stance of Our Mission, Our Vision, and the identified material issues is what makes the Basic Sustainability Policy of the Group.

How Materiality Relate to "Our Mission" and "Our Vision"



Material Issues Identification Process

1. Examination of important ESG issues from the Company's perspective

We made an exhaustive list of ESG issues based on ISO 26000, the Sustainable Development Goals (SDGs), and other relevant international guidelines and principles. Subsequently, we conducted a survey of employees and internal interviews to identify candidates based on their importance in terms of both opportunities and risks related to our business.

2. Consideration of important ESG issues from the perspective of external stakeholders

We confirmed the expectations and requests for the Group based on expertise and opinions obtained from interviews with external stakeholders, such as major customers and shareholders, and narrowed down the list of candidates.

3. Discussion and deliberation by management

Identified through discussions at the Sustainability Committee, Executive Committee, and Board of Directors meetings, based on the relationship between Our Mission, Our Vision, and the SDGs, as well as their relevance to each business.

How Materiality was Identified (Visualization)

