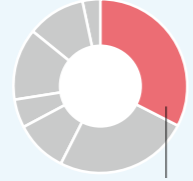


Customer Solutions

Contributing to society at a broader level with the provision of a new combination of finance + services as well as data utilization platform services based on our solid and expansive customer base

Segment profit (FYE3/2023)
38.1 billion yen
Group total 116.2 billion yen



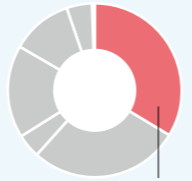
Customer Solutions **32.8%**

Main business
Finance solutions business for companies and government agencies, energy-saving solution business, sales finance business provided through collaboration with vendors, real estate leasing business, and financial service business

Core strategies in the 2025 MTMP

- To further reinforce our solid customer base, we will enhance the functions provided to customers through our finance solutions while also accelerating the creation of collaborative businesses that combine customers' services with our functions as a business partner recognized by customers
- We will provide new services leading to the evolution and layering of business models
- We will pursue efficiency through the establishment of a new sales process that utilizes data and digital technologies

Segment assets (end of March 2023)
3,227.7 billion yen
Group total 9,632.9 billion yen



Customer Solutions **33.5%**

Business Characteristics and Our Strengths in the Market

The Unit operates a customer finance business that provides finance solutions such as leasing and installment sales primarily to Japanese corporations and government agencies, and a vendor business that provides support for the sales activities of affiliated vendors (manufacturers, distributors, and so on) through our finance functions. The unit also provides a wide range of high value-added services that help solve customer issues, including PC lifecycle management services^{*1}, Public Private Partnerships (PPPs) and Private Finance Initiatives (PFIs)^{*2}, sales of used assets with included engineering services^{*3}, and the dismantlement and removal of plants and equipment. From the development of these businesses, we have established a strong industry market share in the leasing of industrial and production machinery for the manufacturing sector and the leasing of commercial, and information and communications equipment for the retail and distribution sectors.

We also maintain and strengthen business partner relationships with leading companies in each industry, including the Mitsubishi UFJ Financial Group, Mitsubishi Corporation, and Hitachi, Ltd. At the same time, by combining the myriad functions of both former companies, we strive to expand and achieve greater depth in the services we provide to customers while also creating new services.

The market size of the leasing industry has gradually shrunk from its peak of around nine trillion yen, and, in response to the changes to lease accounting standards in 2008 and the

COVID-19 pandemic that developed in 2020, the market further declined in size, but it is today worth around five trillion yen, underscoring the solid need for leasing as a means of funding to support the sustainable economic activities of companies.

To differentiate from other companies in this intensely competitive environment, we must quickly gain a grasp of social issues and the management issues faced by customers and provide the services to help solve them. In particular, against the backdrop of global megatrends such as climate change, population growth, and scarcity of resources, corporations are expected to make such efforts as promoting a decarbonized society and building a circular economy. As one example of an initiative to support the needs of these companies, Mitsubishi HC Capital has utilized a transition loan with MUFG Bank^{*4} to enter into a lease agreement with a domestic operating company to support the company's domestic solar power generation project.

Going forward, a sustainable society and customer value will be our starting points as we work to integrate finance with business services by combining an extensive customer base representing the strengths of our banking and trading house background with strategic partner solutions cultivated through our manufacturer affiliations. In doing so, we will develop and provide high-value-added services that contribute to society and help solve customer issues.

We also run a "Field Leader Project" that aims to build a strong and enthusiastic sales organization and form a group of

professionals with specialized expertise. This voluntary collaborative project enables representatives at sales branches to think up and implement promising measures on their own. We aim to develop a vibrant workplace through exchanges between personnel that transcend organizational boundaries and hierarchies.

^{*1} A service that manages PCs across the series of stages in their lifecycle from selection and installation through to disposal.
^{*2} A method for using private sector funding, management capabilities, and technical capabilities for the construction, maintenance, operation, etc., of public facilities and other locations.
^{*3} A service to perform maintenance or other work on used machinery that has been purchased, and to then transport it to and install it at a sale destination. The service also involves the one-stop provision of work related to the relocation of multiple

plants and equipment of customers, covering the series of steps from removal and dismantlement to transportation, rebuilding, and precision restoration.
^{*4} A finance method aimed at supporting companies engaged in initiatives to steadily reduce greenhouse gas emissions based on a long-term strategy to realize a decarbonized society.



A lively exchange of opinions underway as part of the Field Leader Project.

Medium-to-Long-Term Initiatives

In the medium-to-long term, the leasing industry is expected to undergo changes in the social and business environment on a global basis, such as changes to the industry structure, the acceleration of digitalization, the growing importance of sustainability, and other developments.

Shifting away from its current business portfolio centered on customer finance, such as leasing and installment sales, Mitsubishi HC Capital will develop new services that match customer needs and solve social issues while utilizing data, and provide these new services combined with conventional finance. Regarding those assets in which we have particular strengths, we aim to provide functions and services covering

every stage of their lives. Additionally, to solidify the customer base that has expanded through integration, we will revamp the sales support system and customer data management systems that streamline sales activities while establishing a division of operations between inside sales (non-visit sales) utilizing digital marketing, telephone calls, and email and field sales (visit-based sales). By having these activities seamlessly coordinated, we will raise their efficiency.

In conjunction with these efforts, we will work to improve the profitability of customer finance by strengthening our ability to secure new projects from customers while pursuing an O&D business that combines the sale of existing loans to investors.

➤ Leverage Strengths as a Core Business of Mitsubishi HC Capital to Create Customer-Oriented and Attractive New Businesses and Services

The Customer Solutions Unit, hereinafter "CSU," is a core business of the Company that accounts for roughly one-third of its consolidated net income, primarily through its traditional leasing business. Groupwide, the unit has done business with around 570,000 companies across a wide range of industries. Moreover, to date, a number of businesses have emerged from the bases provided by the CSU, including real estate, environmental, and used asset-related businesses that have grown into their respective business segments today.

Recently, issues faced by customers have undergone dramatic change, from the global restructuring of business environments to the growing importance of sustainability and the acceleration of digitalization. To further reinforce the business bases of the CSU amid these changes, in the 2025 MTMP, we will tackle social issues such as logistics, decarbonization, the circular economy (effective use of assets), and the utilization of data and digital technologies. At the same time, we will learn even more about customer industries, business activities, products, management policies, and other aspects, and emphasize dialogue with customers. In this way, we will respond to customer expectations by developing new and highly attractive businesses and services, such as methods and services to provide valuable assets that help solve issues fundamentally in a customer-oriented manner.

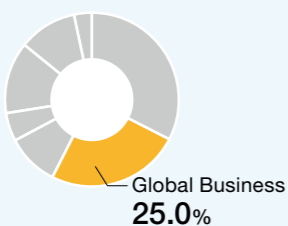


Katsuya Kitahara
Managing Executive Officer
Head of Business Promotion & Strategic Planning Division
Customer Solutions Unit

Global Business

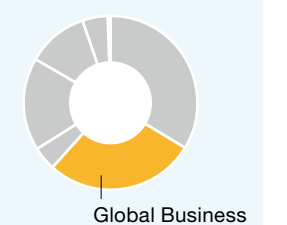
Contribute to solving social issues in each country and region by strategically allocating management resources to reflect regional characteristics

Segment profit (FYE3/2023)
29.0 billion yen
 Group total 116.2 billion yen



Global Business 25.0%

Segment assets (end of March 2023)
2,644.2 billion yen
 Group total 9,632.9 billion yen



Global Business 27.5%

Main business
 Offer finance solutions in Europe, the Americas, China, and ASEAN, as well as sales finance and other services in collaboration with vendors.

Core strategies in the 2025 MTMP

- Provide community-based solutions to social issues and needs in each country and region in collaboration with local partners
- Increase added value by digitalizing business processes and providing digital platforms to vendors and customers
- Increase profitability by enhancing decarbonization businesses such as EVs, charging stations, and solar power generation

Business Characteristics and Our Strengths in the Market

The unit employs more than 4,000 people in four regions (Europe, the Americas, China, and ASEAN). It provides customer-oriented leasing and vendor finance in collaboration with vendors and other finance solutions tailored to the characteristics of each country and region, based on accurate insights into local social issues and customer needs. In addition to finance leases and installment sales, we seek to improve customer satisfaction by adding other services, such as operating leases and vehicle management services with maintenance, and using digital tools to build platforms for customers.

Following the April 2021 merger of Mitsubishi UFJ Lease & Finance and Hitachi Capital, the businesses of the former two companies have been integrated and linked to extend the range of products, services, and assets as well as the operating regions. In addition, we have been trying to create greater synergies such as enhancing business efficiency by reorganizing and consolidating offices in the same county. Specifically, we have begun building the foundations to create a consistent platform and brand by integrating two group companies in Hong Kong in July 2022 and three group companies in the U.S. in April 2023.

Through this integration, we are pursuing efficiency while at the same time transforming our business portfolio by adding higher value to our core businesses and moving ahead with the downsizing and convergence of

non-core or low-profit businesses. By region, we will concentrate our management resources in Europe and the Americas, where the business environment is highly transparent, and accelerate the growth of the Americas business, which has particularly high growth potential.

We will continue to work proactively for a decarbonized society, a growing global need, by accurately identifying the needs of each country and region. We will contribute to solving the issues facing society and our customers by establishing a high-value-added model that leverages renewable energy, EV businesses, data, and assets.



Scene from a global conference where executives from group companies overseas gather to engage in open discussion.

Medium-to-Long-Term Initiatives

Under “Our 10-year Vision,” the unit aspires to play a key role in the Group’s growth in both qualitative and quantitative terms. In doing so, it aims to become known as the Company’s strength, while developing unique, progressive, and distinctive businesses and working in collaboration with the Customer Solutions Unit.

Looking at the business environment going forward, we believe that sustainability demand will increase globally, electric vehicle and hydrogen-related businesses will become more prevalent as part of decarbonization efforts, and demand for digital technologies and other advances in the service sector will rise.

By continuing to transform our business portfolio through the strategic allocation of management resources that capture the essence of each business, we aim to increase earnings and improve ROA while controlling asset growth. While strategies vary depending on the country and region, we will achieve corporate transformation (CX) by adding value to our products, strengthening sustainability-related and decarbonization businesses, and digitizing our operations. We will also look to work together with other business divisions, for instance, in the exchange of personnel, while leveraging the breadth of our business domain and regions of operation.

Continually increase competitiveness in the Americas
 Merged three group companies in the U.S.

On April 1, 2023, three group companies in the U.S. integrated their operations to become Mitsubishi HC Capital America, Inc. We will combine the financial services expertise each company cultivated, bolster business management systems that contribute to the creation of customer value, and boost earnings through business expansion.



Craig S. Weinewuth
 President & CEO
 Mitsubishi HC Capital America, Inc.

The newly integrated Mitsubishi HC Capital America (MHCA) is excited to expand the financial strength, innovation, and capabilities of MHC Group throughout North America as one platform, one brand, and one team. The North American market is the largest economy in the world and MHCA is determined to deliver exponential change consistent with the 2025 MTMP and 10-year vision. To support these redefining efforts and to become a driving force for growth, MHCA will also: (1) Enhance MHC’s brand throughout North America and (2) Realize shared services and synergies with other MHC Group companies.

Leveraging Management Resources Gained through Integration and Collaboration to Achieve Coexistence with Customers Around the Globe

The Global Business Unit, which accounts for roughly one-quarter of the Group in terms of assets and revenues, works together with the Customer Solutions Unit and other business divisions to deliver finance solutions and sales finance in collaboration with vendors across a broad range of geographic areas.

In the 2025 MTMP, the unit will continue promoting the transformation of the business portfolio through the strategic allocation of management resources. In doing so, it will seek to increase earnings and improve ROA. In April of this year, we merged three group companies in the U.S. At present, we are taking steps to bolster profitability by effectively deploying management resources to better streamline operations, integrating the accumulated financial service know-how that each company possesses, and expanding businesses.

Meanwhile, we will create customer value by addressing social issues in each region through strengthening our sustainability-related and decarbonization businesses, achieving CX through digitalization, and collaborating with our partners.



Yasuyuki Hirota
 Managing Executive Officer
 Head of Global Business Promotion Division and Head of China Division
 Global Business Unit
 Director Chairman of Mitsubishi HC Capital Management (China) Limited
 Director Chairman of Mitsubishi HC Capital (Hong Kong) Limited

Aviation

Contributing to decarbonization in the aviation industry through collaboration with customers across a wide range of services, including the leasing of aircraft and engine leasing, and Japanese operating leases

Segment profit (FYE3/2023)

6.2 billion yen

Group total: 116.2 billion yen

Aviation: 5.3%

Segment assets (end of March 2023)

1,640.2 billion yen

Group total: 9,632.9 billion yen

Aviation: 17.0%

Main business
Aircraft leasing business and aircraft engine leasing business

Core strategies in the 2025 MTMP

- Sustainably grow and expand a high-quality industry-leading business portfolio through sales and leaseback for aircraft and aircraft engines provided to the leading airlines around the world
- Strongly address changing industry dynamics and customer needs and enhance risk management capabilities by capitalizing synergies within the Mitsubishi HC Capital Group
- Capitalize market intelligence through our strong stakeholders network, and study the prospects for developing new businesses such as sustainable aviation fuel (SAF) and next-generation aviation technologies compatible with our future vision in a decarbonized society and our aviation franchise

Business Characteristics and Our Strengths in the Market

We provide high value-added products and services, such as aircraft leasing, aircraft engine leasing, and engine parts outs (purchasing and re-selling used engine parts), as well as Japanese operating leases*1, to meet the diverse needs of aviation industry customers.

In the aircraft operating lease business, Jackson Square Aviation (JSA), contributes to the aircraft procurement and management activities of major full-service carriers (FSCs) and leading low-cost carriers (LCCs) around the world, with a focus on sale and leaseback (SLB)*2 for new aircraft. The company currently leases over 200 aircraft to around 60 airlines in some 30 countries. Additionally, in the aircraft engine operating lease business, Engine Lease Finance (ELF), leases spare engines*3 to airlines and engine maintenance companies around the world. The Group's Aviation Business mainly owns narrow-body aircraft*4 and its engines, which are in high demand in the market, in order for us to maintain a high quality portfolio that is highly liquid and well diversified.

Our ownership of highly fuel-efficient new-generation aircraft with low CO₂ emissions in our portfolio is among the highest in the industry based on the number of aircraft and we aim to contribute to the decarbonization of the aviation industry by focusing on new-generation engines. To keep abreast of new technology trends

from the perspective of future decarbonization, we have a small investment in a US-based start-up (Universal Hydrogen Co.*5) and also engage in research and development of sustainable aviation fuel (SAF) and other advancements.

*1 An investment product for Japanese corporations to invest in aircraft operating leases for airlines through a partnership agreement ("Tokumei Kumiai Agreement").

*2 A transaction where a customer sells the asset it owns to a leasing company, and the asset is then immediately leased back to the customer. This approach provides benefits to customers, such as raising funds and ensuring flexibility in fleet management strategies.

*3 As engines require regular maintenance, airlines need to maintain a certain number of spare engines to ensure that aircraft operations are not interrupted during those maintenance periods, and leasing is one of the options used to procure them.

*4 Single-aisle aircraft mainly used for domestic and short-distance flights.

*5 In October 2021, the Company invested in a start-up working on the development of hydrogen storage capsules and hydrogen powertrains for hydrogen-powered aircraft.



Medium-to-Long-Term Initiatives

In the aviation industry, passenger demand is rapidly recovering worldwide due to the easing of activity restrictions after the COVID-19 pandemic, despite the negative impact of aircraft part supply chain and labor availability issues combined with rising interest rates and other factors. As a result, business results are also steadily improving for airlines. In terms of the medium-to-long-term outlook for the aviation industry, passenger demand and the number of aircraft are expected to continually rise in line with the growth of the global economy and global population. Additionally, in the future, aircraft manufacturers are expected to take a leading role in advancing the development of next-generation aircraft that facilitate decarbonization.

The Mitsubishi HC Capital Group will leverage the diverse and solid operating platform of its aircraft leasing, aircraft engine leasing, and related operations to expand its business globally. By capitalizing on the post-COVID recovery in passenger demand and further aligning our service offering in our franchise, we will create further group synergy. We will also pursue research and development into new businesses along the themes of next-generation aviation technologies and decarbonization to develop future business.

As part of our vision for the Aviation Business as laid out in our 10-year Vision, we have set the goal of "contributing to solve problems of customers and society through global one team spirit in Japan and overseas, and the provision of high-quality products and services in anticipation of a decarbonized society." In the 2025 MTMP, we will strongly restore and improve further the profitability of the aircraft and engine operating lease businesses while pursuing research and development into new businesses in greater depth, and also further strengthen the management structure of the business overall by enhancing human resources and driving the development of DX and digitalization.



ELF is working to increase the ownership of new engines with good fuel efficiency in its portfolio.

▶ Becoming a Growth Driver by Restoring Profitability while Identifying the Future Direction of Business Portfolio Transformation in Aviation

A decade has passed since Mitsubishi HC Capital strategically started to build the aviation business platform. Over the past years, the industry has undergone significant changes, from the major impact of the COVID-19 pandemic that emerged at the end of 2019, to accelerating efforts to realize a decarbonized society. Even during these tumultuous ten years, we have managed the aviation business with its sights firmly set on solid and continuous business expansion and growth. As a result, despite a temporary decline in business results during the pandemic, we managed to minimize the impact, and the recovery now underway in the aviation industry has been accompanied by steady improvements to our business results.

At the same time, we are pursuing initiatives aimed at realizing a decarbonized society. In the short term, we are making progress in shifting our portfolio to highly fuel-efficient aircraft and engines, and our subsidiary JSA has the highest ratios of new generation aircraft among its competitors. Meanwhile, ELF is strengthening collaboration with engine manufacturers and increasing the ratio of new engines in its portfolio. In the medium-to-long term, we will be contributing to building a decarbonized society through investment and alliances supporting new technologies such as next-generation aircraft and SAF.

In our 2025 MTMP, we aim to be a growth driver by restoring profitability while identifying the future direction of business portfolio transformation in Aviation.



Osamu Muramoto

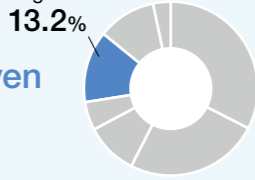
Managing Executive Officer
Head of Aviation Business Division
Chairman of JSA International Holdings, L.P.

Logistics

Constantly seeking to provide value to customers, aiming to evolve into an operating company with a global presence in the area of logistics

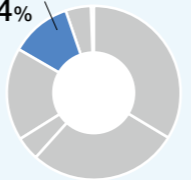
Segment profit (FYE3/2023)
15.3 billion yen
 Group total 116.2 billion yen

Logistics 13.2%



Segment assets (end of March 2023)
1,092.9 billion yen
 Group total 9,632.9 billion yen

Logistics 11.4%



Main business
 Marine container leasing business, railway freight car leasing business

Core strategies in the 2025 MTMP

- Further strengthen the marine container business base through the utilization of digital technologies and other measures leveraging our world-class position in the industry and enhancing not only our leasing but also our container trading functions
- Improve the profitability of the railway freight car leasing business by creating income and capital gains through the shift to the asset O&D model, which combines the optimization of the ratios of owned railway freight cars by type, the sale of some of the assets we hold, and new investments
- Create new growth opportunities that contribute to realizing a decarbonized and circular society

Business Characteristics and Our Strengths in the Market

In this business, we lease and finance transportation equipment such as marine containers and railway freight cars.

In the marine container leasing business, we now provide containers to approx. 300 corporate customers, including major shipping companies, thus delivering value that supports their supply chains. To operate the business globally, we need to allocate the necessary volume of containers to the locations desired by customers. We have, therefore, secured container yards for returning, repairing, storing, and lending containers at ports around the world, and built a global network that enables us to respond promptly to customer needs. In addition, to supply containers promptly, we have our own fleet of containers and offer short-term leasing services, such as leases for periods of less than one year, in addition to services provided through long-term leasing contracts.

A benefit of the use of leasing services for the shipping companies that are our customers is that they can not only reduce financial burdens but also adjust the volume of containers flexibly in accordance with the fluctuation of cargo movements. Supported by this customer demand, about half of the marine containers used around the world are supplied through leasing. In addition, the marine container leasing market is an oligopoly, where the top five leasing companies have an

approximately 80% market share. Thus, there are high barriers to entry into this business.

While the industry has these characteristics, CAI International, our Group company and one of the major leasing companies, is ranked fourth in the world*1 in terms of CEU.*2 It will continue to develop this business in line with the development of global trade.

In the railway freight car leasing business, PNW Railcars, our Group company, has now grown into one of the top 10 leasing companies in North America, leasing approximately 22,000 freight cars to cargo owners, mainly railway companies and major enterprises. Leasing is a dominant means of procurement for railway companies, which need to make many capital investments, including in rails and locomotives.

Railway freight cars are used for up to about 40 years. The length of a single lease period is three to five years. Typically, the lease is continually renewed through the extension of the lease period or a change of lessee.

In this business, we are contributing to the growth of the North American economy as an entity supporting the value created by railway infrastructure, which has a low environmental impact.

*1 Source: Drewry, "Container Census & Leasing Annual Report 2023/24"
 *2 CEU: Cost Equivalent Unit. Conversion unit for various container volumes, calculated on the basis of 1 CEU = average historical price of a newly built 20-foot dry container

Medium-to-Long-Term Initiatives

Toward the achievement of Our 10-year Vision, we have set our vision for this business as "Constantly seeking to provide customer value, aiming to evolve into an operating company with a global presence." We will detect changes in the market and provide solutions taking advantage of advanced knowledge, digital technologies, and other new technologies and the Group's comprehensive strengths ahead of other companies. We will thus help customers around the world create value and contribute to stable consolidated income.

Specifically, we will set the priority task of solving social issues in the area of logistics by reinforcing the bases of existing businesses and developing new businesses. In the marine container leasing business, we will take advantage of our supply capacity, which is based on our world-leading position in the industry, to meet customer demand stably, not only in leasing but also in related businesses such as container trading. We will also reinforce the business base further through the utilization of digital technologies and strengthening internal cooperation within the Group. In the railway freight car leasing business, we will work to improve profitability through portfolio optimization, which is done by replacing freight cars with cars of different types and repairing them, the improvement of the utilization rate, and posting profits on sales made by shifting to the asset O&D model, in which we sell some of

the assets we own and replace them with new ones while keeping the portfolio optimized. Further, we will create new growth opportunities that will contribute to realizing a decarbonized and circular society in new areas as well.

The merger of two Group companies engaged in the marine container leasing business is completed, marking the launch of the business under a new structure



Katherine McCabe
 President
 CAI International, Inc.

The merger of CAI International and Beacon Intermodal was completed in January 2023, and the operational integration is complete. We relaunched CAI, the world's 4th largest container lessor, under new executive leadership but have continued to offer unparalleled service and product quality. Our market strategy is focused on cultivating market intelligence and data analytics to provide innovative and competitive leasing structures to our customers. CAI's mission is to set the standard for industry excellence.

▶ Taking on Challenges to Develop New Services and Business Models while Supporting the Global Economy Every Day

The marine containers and railway freight cars that we deal in are essential assets for transportation with low CO₂ emissions. While the world aims to realize a low-carbon/decarbonized society, demand for containers and freight cars has been growing in proportion to the increase in the transportation volume reflecting the growth of the global economy.

Department members and related people from the operating companies cooperate closely in their efforts every day to improve our services so that customers can use the necessary volume of containers and freight cars when and where they need them, in accordance with their needs. We also operate reliable IT systems because the utilization of digital technologies is essential for the management of a large number of leased assets.

On the other hand, it is also necessary to develop new services and business models to realize better operations in response to customer needs and needs on business sites. In our division, we will continue to take on challenges by always thinking about the creation of an open organization with a high level of psychological safety, where we respect each other and can have unrestricted discussions about anything with anyone so that many ideas unrestricted by precedent will be created.

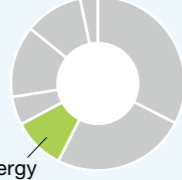


Hisashi Ishimaki
 Managing Executive Officer
 Head of Mobility Business Division
 Head of Logistics Business Division
 Chairman of CAI International, Inc.
 Chairman of PNW Railcars, Inc.

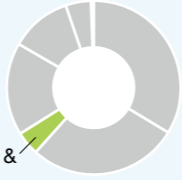
Environment & Energy

As one of Japan's leading renewable energy business companies, we contribute to the decarbonization of the world while boldly taking on the challenge of building new businesses and developing functions

Segment profit (FYE3/2023)
11.6 billion yen
 Group total 116.2 billion yen
 Environment & Energy 10.0%



Segment assets (end of March 2023)
433.2 billion yen
 Group total 9,632.9 billion yen
 Environment & Energy 4.5%



Main business
Renewable energy business

Core strategies in the 2025 MTMP

- Stable supply of electricity through renewable energy generation and strengthened revenue base through the expansion of power plants
- Improving the added value of in-house power plants through efforts to develop new businesses, such as a battery storage business and generation-side aggregation through renewable energy
- In Europe and the United States, accelerating business expansion through improving development functions in renewable energy generation business

Business Characteristics and Our Strengths in the Market

In response to the global trend towards decarbonization, changes in the business environment and customer needs are occurring. We are globally expanding renewable energy and environmental finance solution businesses.

In Japan, we focus on solar power and onshore wind power generation. In solar power generation, our business to supply electric power directly to customers has gotten into full swing primarily through corporate PPA*1 programs. One such example is a virtual PPA*2 agreement signed between our Group company, Mitsubishi HC Capital Energy, and Tokyo Metro Co., Ltd. in March 2023 to contribute to Tokyo Metro's reduction of CO₂ emissions.

In onshore wind power generation, we have transitioned from a feed-in tariff (FIT) scheme, in which purchase prices for renewable energy are fixed, to a feed-in premium (FIP) scheme that is linked to electricity sales prices and adds certain subsidy amounts. We have also started an aggregation business*3 that provides electric power and non-fossil value*4 through forecasting renewable energy generating and supplying plans. Specifically, our Group company, HSE will switch six plants /

100MW-class wind power plants in total in the Tohoku region from the FIT system to the FIP system, and provides renewable power and non-fossil certificates as an aggregation business operator. This is part of our efforts to supply customers with stable electric power in terms of both price and supply capabilities.

Overseas, in Europe, the United States, and other areas seeing progress with decarbonization, we will tackle renewable energy generation businesses and enhance our development capabilities.

The renewable energy sources owned by the Group in Japan amount to 1.2GW (net capacity in operation, as of the end of March 2023), one of the highest among Japanese power companies, and we intend to maintain this provision in the future. The Group believes it has a key mission to not only create renewable energy but also provide customers with non-fossil value. As renewable energy can easily be affected by environmental factors when it is generated, we will pursue the development of a new business aimed at stably supplying electricity by utilizing electricity demand and supply, weather and other data combined with storage batteries, electricity retailing, and aggregation.

Medium-to-Long-Term Initiatives

Looking from a medium-to-long-term perspective, we believe that renewable energy will become even more important globally. We also predict that business will expand in the electricity value chain, driven by technological innovations.

To achieve Our 10-year Vision under those circumstances, the division has set the goal of "continuous contribution to decarbonized society while building a sustainable revenue base."

In Japan, we will strive to achieve market growth with a focus on solar and onshore wind power. Ten years from now, we will have secured around 2.5GW in generating capacity, developed a solid operating based under an environment of rising renewable energy value, and will be maintaining our position as one of the leading renewable energy generation business operators. We will also establish an electricity service business by accurately identifying changes in electricity systems and maximizing the power generating assets we possess.

Overseas, mainly in Europe and the United States, we will expand our renewable energy business from development to operation by collaborating with local

renewable energy companies with development capabilities and develop a scalable and value-added electricity business.



Manyo-no-Sato Wind Power Plant (Fukushima Prefecture)

*1 A mechanism that allows companies to purchase electricity derived from renewable energy generating facilities from retail electric suppliers or power generation companies over the long term at fixed prices
 *2 An agreement to transfer non-fossil certificates related to renewable energy-derived electricity
 *3 Businesses that manage the supply of electricity generated at power plants and control supply-demand balance, and operators of such businesses.
 *4 Non-fossil value refers to the value of electricity generated using methods that do not emit CO₂. Non-fossil certificates are issued for the environmental value of electricity generated using non-fossil fuels such as renewable energy.

Contributions to Solve Global Environmental Issues as an Industry Leader in Achieving Transformation

The division helps to promote a decarbonized society through its renewable energy business. We maintained power plants with a combined capacity of 1.3 GW in Japan and overseas, mainly solar and onshore wind power, and we are expanding as one of the leading operators in Japan.

The trend toward decarbonization is proceeding at a rapid and irreversible pace, bringing significant changes to customer needs and the business environment that surrounds us. The division views these "changes" as "opportunities," and the division's entire workforce is committed to the evolution and layering of our business models. Specifically, we have led other companies in shifting from the FIT scheme to the FIP scheme in Japan, and we are already making use of the FIP scheme in the operation of wind power plants with around 100 MW of capacity. In addition, we are actively working on the development of new functions and expansion into new areas, including an "aggregation business" that utilizes generation capacity prediction functions, "a corporate PPA business" to directly supply green electricity to customers, and a "battery storage business" needed to ensure the stable power supply, as part of our drive to become an industry leader in achieving transformation. We will also participate in business in European and US markets where progress is being made on decarbonization, in an effort to help solve global environmental issues.



Takuji Naruse
 Managing Executive Officer
 Head of Environment & Energy Business Division

Real Estate

Contributing to building sustainable social infrastructure by maximizing the potential of real estate and creating and providing social and economic value

Segment profit (FYE3/2023)
12.6 billion yen
 Group total 116.2 billion yen

Real Estate 10.9%

Segment assets (end of March 2023)
447.2 billion yen
 Group total 9,632.9 billion yen

Real Estate 4.6%

Main business
 Real estate financing business, real estate investment business, real estate asset management business

Core strategies in the 2025 MTMP

- Create business opportunities by increasing capabilities to enhance value through investment and lending and strengthening development of eco and society-friendly assets
- 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 the asset management business

Business Characteristics and Our Strengths in the Market

We are working to expand this business based on the three core businesses of real estate financing, real estate investment, and real estate asset management, with a focus on the domestic market.

In the real estate financing business, we source deals from senior lenders,*1 which mainly includes mega-banks, Japanese and foreign-affiliated sponsors*2, and asset management companies and provide mezzanine loans*3 for many projects.

In the real estate investment and real estate asset management businesses, we began real estate revitalization investments leveraging the expertise we have cultivated by turning around projects where construction had been suspended mid-way in the aftermath of the 2008 global financial crisis and having revitalized and enhanced the value of problematic projects involving issues such as difficulties in acquiring tenants.

In 2016, we established Mitsubishi HC Capital Realty, which engages in real estate development and revitalization investment, and Mitsubishi HC Capital Realty Advisers, which engages in real estate asset management, including the management of private REITs (real estate investment trusts). We have since been expanding our business field by integrating finance, investment, and asset management.

In the hotel sector of the real estate investment business, a specialized team consisting of former hotel management company employees works closely with operators to increase the value of assets by implementing measures to improve the sales price and occupancy rate of hotel rooms.

In the area of industrial, we are expanding the industrial development investment by incorporating an asset management company specializing in the industrial real estate field into the MHC group. We have also imple-

mented pioneering initiatives, including the development of large-scale industrial and cold warehouses for multi-tenants. For example, in 2018, we took a stake in CenterPoint Development (which became a wholly-owned subsidiary in April 2023) and established Logi Flag Development with our business partner.

In this way, we now operate businesses with business models in which we work to generate income and capital gains through three core businesses, focusing on office, residence, retail, hotel, and industrial.

The strengths of our group lie in our ability to continue and operate our businesses in any environment by devel-

oping these three businesses in a well-balanced manner.

Further, we will contribute to the promotion of a decarbonized society and the establishment of resilient social infrastructure by implementing initiatives for eco-friendly real estate and BCP*4-conscious real estate for its tenants.

*1 A senior lender is a lender who provides a senior loan that has priority in the repayment over other credits. A senior creditor who provides a mezzanine loan.

*2 A sponsor is a party who leads a project, such as the largest investor.

*3 A mezzanine loan is a loan whose repayment is a lower priority than other credit obligations. In return for the high risk, such as the acceptance of the rescheduling of principal and interest repayments, a high-interest rate that is commensurate with the risk is set.

*4 BCP stands for business continuity plan. It is a plan under which the measures for continuing important operations even in critical circumstances, such as terrorism, disaster, or system failure, are stipulated.

Medium- to Long-term Initiatives

In the medium to long term, the position of real estate as an investment asset will remain unchanged, and both domestic and overseas real estate markets are expected to continue growing.

In this background, in the real estate business, we will concentrate our resources on the three core businesses, building a framework that enables us to create new business opportunities and realize the transformation of our business portfolio, and at the same time, demonstrating a significant presence in the real estate market and further promoting the improvement of our ROA.

We will also strengthen investment in and the development of eco- and society-friendly assets, focusing mainly on offices and industrial, to add value to our portfolio.

In order to realize our vision of where we would like to be in 10 years, in this business we will create and maximize the social and economic value of real estate as infrastructure for daily life and industry, thereby providing convenience, safety, and comfort to the global society, local communities, and people and contributing to build sustainable social infrastructure.

Contributing to Building Sustainable Social Infrastructure by Creating and Maximizing the Social and Economic Value of Real Estate

Our 10-year Vision at the Real Estate Business Division is to be a player who can create and maximize the social and economic value of real estate and contribute to building sustainable social infrastructure.

In the investment business, we engage in not only real estate development but also eco- and society-friendly real estate revitalization investment, in which existing properties are renovated and used effectively instead of being demolished. In the financing business, we also attach importance to the ESG perspective when providing financing.

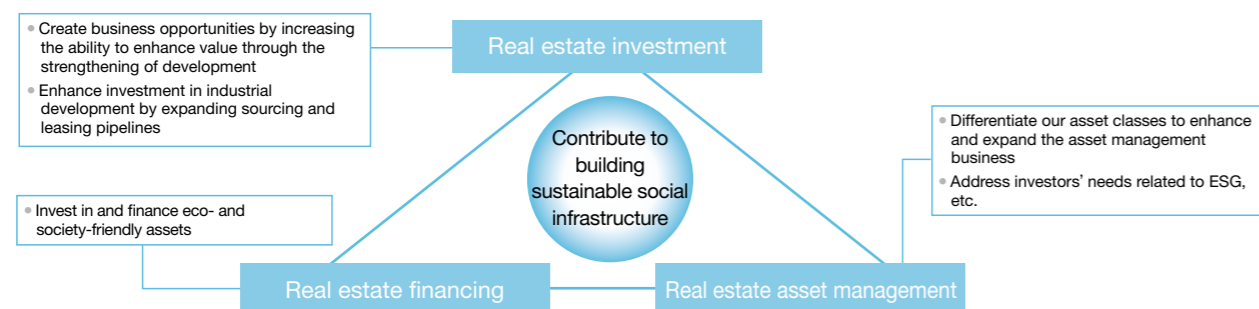
In the asset management business, we will expand assets under management through existing private REIT businesses and the new funds to meet investor needs, among other initiatives, to contribute to building sustainable social infrastructure through long-term asset management.

In addition, we are enhancing SX and DX initiatives in each business. For example, we are proactively cooperating with a hospitality-related DX operator to improve the operational efficiency of hotels in which we invest, as well as considering the automated operation of cold warehouses with unfavorable labor conditions, thus playing a part in efforts to resolve the material issues that we face.



Katsuji Okamoto
 Managing Executive Officer
 Head of Real Estate Business Division

Overview of the Real Estate Business



*Initiatives in are core strategies.

Mobility

Providing domestic and overseas customers with the integrated services needed to introduce and operate EVs, thus contributing to their decarbonization efforts

Segment profit (FYE3/2023)
3.7 billion yen
Group total **116.2 billion yen**

Mobility **3.3%**

Segment assets (end of March 2023)
41.4 billion yen
Group total **9,632.9 billion yen**

Mobility **0.4%**

Main business
Mobility-related businesses focused on auto leasing and fleet management services

Core strategies in the 2025 MTMP

- Develop and commercialize integrated services that can extensively provide functions necessary for introducing and operating EVs, such as constructing charging facilities networks, reusing automotive batteries, and supplying renewable energies
- Smoothly create synergy 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.

Business Characteristics and Our Strengths in the Market

In this business, we provide total services related to vehicle management operations, including maintenance and insurance, beyond the framework of finance, such as leasing and installment sales. We provide services in which we handle tasks on customers' behalf, such as taking automobile-related procedures, thus supporting the movement of people and goods and playing a role in the automotive industry.

In Japan, Mitsubishi Auto Leasing and Mitsubishi HC Capital Auto-Lease merged in April 2023. We thus integrated the two companies' solid customer bases, extensive experience, expertise, and other resources. We are working to produce synergies and strengthen the business further. In addition, to expand the business in the ASEAN region, we are also building a platform in Malaysia and Thailand with Ayvens (formerly ALD Automotive/LeasePlan), a leading global sustainable mobility player in the auto leasing industry, as our strategic partner. Meanwhile, in Indonesia, we engage in a wide range of operations, not only auto leasing but also used car auction business.

The business environment surrounding mobility is at a major turning point, including the expansion of new services such as CASE*1 and MaaS*2. Under these circumstances, we are working intensively on EV-related business under 2025 MTMP. We have built and are striving to commercialize an integrated service that makes it possible to extensively provide the functions necessary for introducing and operating EVs, such as

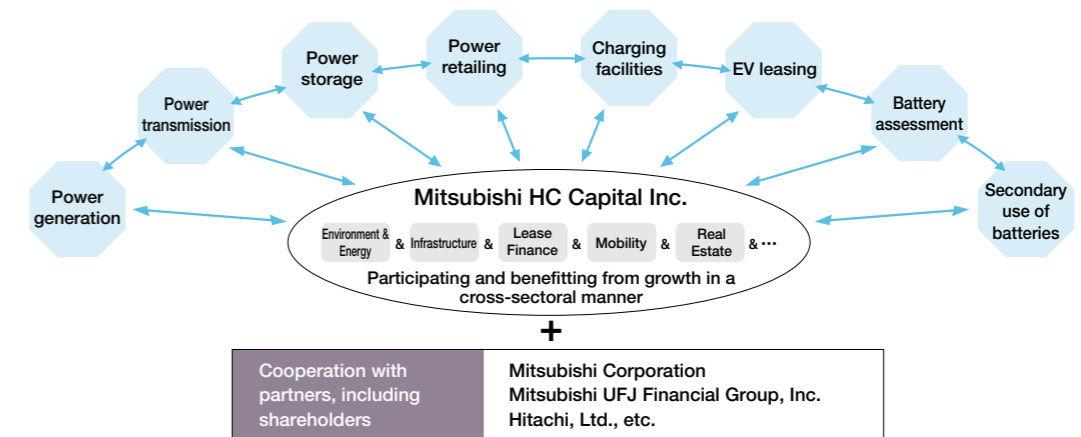
constructing charging facility networks and supplying renewable energies.

We will play a central role in building an urban infrastructure platform that provides one-stop energy management and mobility services, by working together with the relevant internal departments and leveraging alliances with our partner companies, including our major shareholders. In doing so, we will harness our track record and experience in support of environmental contributions that we have developed, such as support for the introduction of eco-friendly vehicles and CO₂ reduction.

*1 CASE: An acronym for Connected (internet connection function), Autonomous (autonomous driving), Shared & Service (car sharing), and Electric (electrification), which expresses what next-generation automobiles should be like
*2 MaaS (Mobility as a Service): Services that make mobility more convenient for people by using IT to seamlessly combine all means of transportation



Conceptual rendering of an integrated service that can provide the extensive range of functions necessary for introducing and operating EVs



Medium-to-Long-Term Initiatives

The popularization of EVs has made great progress in Japan, as in the United States, Europe, and China. The number of new EVs registered in Japan, which is currently around 30,000, is expected to increase to 1,540,000 by 2035.

In this background, we provide customers who have been using ICE (Internal combustion engine) vehicles or hybrid vehicles with a service that facilitates the smooth shift to EVs. We aim to provide integrated services as a package of EV-related services by demonstrating the Group's comprehensive strength through collaborations with the Environment & Energy Business Division, which drives the renewable energy business, the Real Estate Business Division, with which we can cooperate in installing charging

facilities, and the Customer Solutions Unit, among others.

We also expect progress to be made in the intensification of competition in new services, reflecting the emergence of new competitors and progress in digital technologies, and moreover, the acceleration of entries from different industries and the commercialization of new business models in CASE overall, among other developments. Aiming for an efficient mobility business that supports the movement of people and goods globally with a low environmental impact, we will advance demonstration projects with partners with a view to the commercialization of the business while pursuing other initiatives to help address social issues.

Contributing to Realizing a Decarbonized Society through Auto Leasing, Aiming to Build an Ecosystem for Next-Generation Mobility

We aim to help realize a decarbonized society through auto leasing. We are working to build an integrated services, one that provides the extensive range of functions necessary for introducing and operating EVs, in accordance with customer needs, instead of only leasing EVs as vehicles.

While this requires cooperation and sharing and the joint use of data and information with other internal divisions and external partners, we will make further use of information and digital technologies because EVs are, by nature, highly compatible with digital technologies. In addition, because the level of progress in the shift to EVs differs considerably among countries and regions, we investigate and study advanced examples from overseas countries and apply them to our business.

New and unprecedented ideas are required to realize an ecosystem for next-generation mobility, including energy management. At our division, we will continue to take on challenges to create new business models by always keeping in mind the creation of an open organization with a high level of psychological safety, where we respect each other and can have unrestricted discussions about anything with anyone.



Hisashi Ishimaki

Managing Executive Officer
Head of Mobility Business Division
Head of Logistics Business Division
Chairman of CAI International, Inc.
Chairman of PNW Railcars, Inc.