

Business Strategies

Customer Solutions

Taking on the challenge of creating new businesses by leveraging a strong customer base

Kazumi Anei

Director, Deputy President,
Customer Solutions Unit



The Customer Solutions Unit has been developing its business with a focus on finance in Japan for more than 50 years. With a customer base of approximately 570,000 companies and segment profit accounting for approximately one third of consolidated net income, the Customer Solutions Unit continues to grow steadily as a core business within the Group.

However, the transaction volume in the leasing industry in Japan has been stagnant for more than a decade due to changes in lease accounting standards, long-term low interest rates, and the impact of the spread of the COVID-19 pandemic. In this environment, the Customer Solutions Unit is promoting the evolution and layering of business models beyond finance in order to realize Our 10-year Vision.

Through our past transactions with our customers, we own a wide variety and large volume of assets. By analyzing the operational data of these assets in collaboration with our customers, we will

provide higher value-added services, such as supporting optimal asset operations through the use of the Internet of Things (IoT) and DX. We will strive to shift our business model to one that can provide holistic services from procurement to disposal of assets, rather than simply providing financing. We will also contribute to the realization of a circular economy.

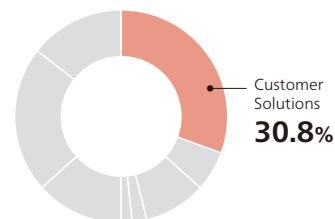
To this end, we will further strengthen communication with our customers and collaborate with them to solve their problems, backed by our partnerships with industry leaders such as the Mitsubishi UFJ Financial Group and Mitsubishi Corporation, which are our major shareholders, and Hitachi —a vital partner— thereby robustly advancing our transformation from a finance company to a service company.

The Customer Solutions Unit will continue to provide customers with services that only Mitsubishi HC Capital can offer. We will strive to remain a partner our customers can rely on.

Segment profit
(Fiscal 2023)

38.1 billion yen

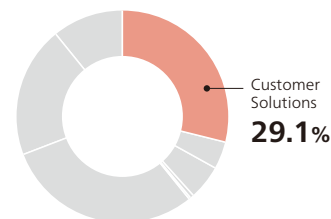
Group total
123.8 billion yen



Segment assets
(As of March 31, 2024)

2,966.5 billion yen

Group total
10,179.4 billion yen



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.

2025 MTMP Progress

The Customer Solutions Unit is working to build a new business of "finance + services" in collaboration with partners for the evolution and layering of business models.

In fiscal 2023, in addition to conducting several PoC^{*1} in collaboration with business partners, we made seven investments in startup companies that contribute to the promotion of DX by utilizing the Innovation Investment Fund.^{*2}

Through these efforts, we were able to create new services, including the provision of services in the decarbonization field such as a PPA (Power Purchase Agreement) business using our subsidiary MHC Renewable Networks^{*3} and the provision of refurbishing services for used semiconductor manufacturing equipment. We will continue to focus our resources on promising projects while also identifying projects undergoing verification, leading to the early launch of services.

- ^{*1} Proof of Concept. Verification of the feasibility of a new idea or technology.
^{*2} A fund launched by the Company in April 2023 to promote the creation of new services and the development of new businesses through open innovation with startup companies, with investment as the starting point.
^{*3} On March 26, 2024, the Company acquired all the equity of RenetS, which was jointly established with REZIL (formerly Chuo Electric Power) on October 28, 2021, making it a wholly owned subsidiary and changing its name.



Future Initiatives

In order to further speed up our efforts toward the Company-wide strategy of the evolution and layering of business models, we will strengthen our relationships with customers and our approach to their management even more than before. In this way, we will understand our customers' management issues and develop and provide new approaches and services to solve them. All employees of the Customer Solutions Unit will have a keen awareness of the need for transformation and will promote the transformation of our business portfolio.

In addition, sales processes in existing operations such as leasing and installment sales will be transformed into a DX-based division of operations,^{*6} including digital marketing,^{*4} inside sales,^{*5} and electronic contracts, in order to establish an efficient sales structure.

- ^{*4} Forming a population of potential customers by providing information on the Group's services, solutions, and seminars via email and the Internet.
^{*5} Inside sales: A sales method division of operations using email and telephone calls from a call center.
^{*6} A system that enables seamless coordination of digital marketing, inside sales, and field sales (visit-based sales) operations.



Robotics Solutions to Help Eliminate Labor Shortages

To address the social issue of labor shortages due to the declining birthrate and aging population, we are aiming to build an ecosystem with partners and other organizations possessing cutting-edge technologies. In April 2024, we established the Robotics Business Development Department as a specialized organization with the aim of realizing innovative services^{*7} that increase productivity through automation using robots.

Recent automation solutions are realized not only with robots, but also with a complex combination of various technologies and functions, involving a wide variety of players. In this context, we will expand our business as a robot service provider that offers new value to our customers, not only through our customer base and financing functions, but also through our coordinating function that combines system integration, operational support, and business design. We will continue to expand our business by uncovering needs from the user's point of view.

In the future, we aim to become one of the core businesses of the Group, so that when people think of robotics, they think of Mitsubishi HC Capital.

- ^{*7} The robots being developed by MUSE will provide retail stores with the functions they need, such as product transportation, sales floor (display shelf) management, and sales floor guidance. In addition, MUSE will provide peripheral functions and data necessary for the use of robots as a service, and will aim to develop a subscription-type service together with consulting services related to the introduction of robots and the development of a robot-friendly environment.

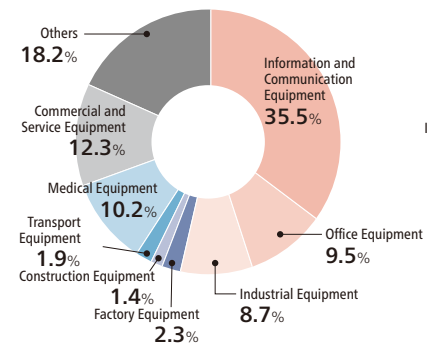


Image of robot introduction

Business Strategies

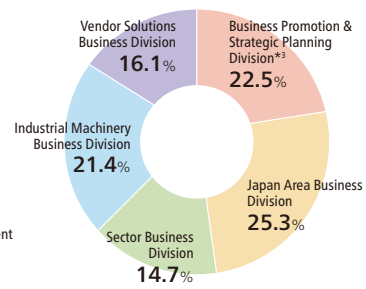
Customer Solutions' Initiatives by Division

Breakdown of Customer Solutions' Leasing Transaction Volume by Property Type*¹ (Fiscal 2023)



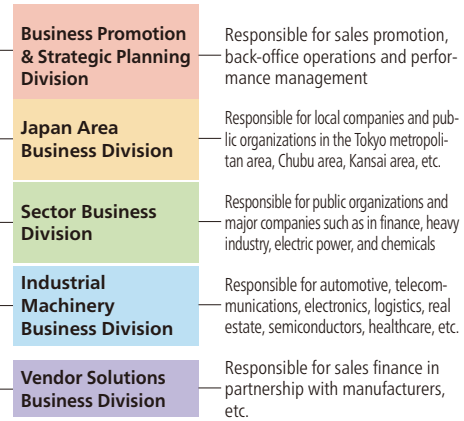
*¹ Leasing transaction volume at sales departments, main subsidiaries, etc. belonging to the Customer Solutions segment. Mitsubishi Auto Leasing, which mainly handles transportation equipment, is included in the Mobility segment and is therefore excluded from the above table.

Breakdown of Customer Solutions' Sales Division Transaction Volume*² (Fiscal 2023)



*² Consolidation adjustments within Customer Solutions are not included.

*³ The Business Promotion & Strategic Planning Division includes the transaction volume of DFL Lease and Shutoken Leasing, which were sold in January 2024, and Sekisui Leasing, which was sold in June 2024.



Business Promotion & Strategic Planning Division

Strategies

- Promote new business development in Customer Solutions, develop business in the field of robotics
- Promote a recycling-oriented economy of returned leased items, reform sales and administrative processes by utilizing digital technology



Main Initiatives

MHC Renewable Networks, a Group company, develops and provides services that help promote low-voltage solar power generation, reduce corporate carbon emissions, and carbon neutrality. MHC Eco Solutions is also working to realize a recycling-oriented economy by repairing and erasing data from used PCs and information equipment, promoting them as reusable products, and recycling waste plastics and other materials.



Japan Area Business Division

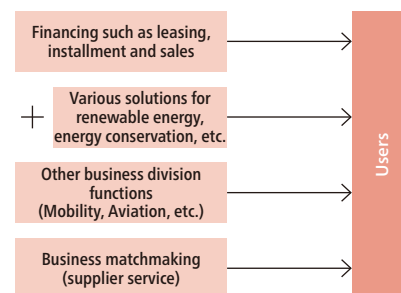
Strategies

- Provide solutions to customer/social issues through organized account sales
- Establish an efficient sales structure by utilizing data obtained through extensive sales activities



Main Initiatives

Through organized account sales utilizing our nationwide sales network and shareholder channels, we approach the business and social issues of our customers and provide solutions by making full use of the Group's capabilities as well as business matchmaking. In recent years, as customers' needs for decarbonization initiatives have grown, we have been providing a variety of services, including renewable energy provision and investment in energy conservation, together with financing.



Sector Business Division

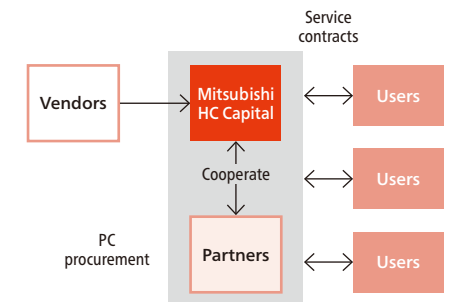
Strategies

- Contribute to solving customer and social issues through collaboration with business partners
- Provide comprehensive services not limited to funding but ranging from equipment installation to maintenance and disposal



Main Initiatives

We provide LCM (Life Cycle Management) services that comprehensively manage the lifecycles of PCs from procurement to use, asset management, and disposal. With the growing demand for Windows 10 replacement in Japan, we see this as a business opportunity to strengthen our sales structure and provide rental services that fully support our customers' PCs through business collaboration with business partners.



Industrial Machinery Business Division

Strategies

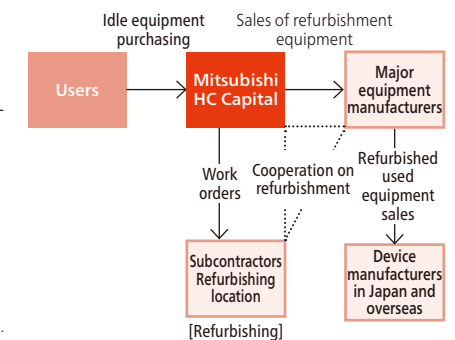
- Contribute to customers as a group specializing in telecommunications, logistics, real estate, semiconductors, healthcare, production machinery, etc.
- Utilize our advanced knowledge of the industry to solve social and industry issues and create new business models



Main Initiatives

In collaboration with our business partners, we provide a refurbishing*⁴ service for used semiconductor manufacturing equipment that contributes to the circular economy. Utilizing the Group's customer base, we have established a series of circular schemes that include not only leasing and renting semiconductor manufacturing equipment, but also purchasing used equipment, providing a refurbishing environment, and selling used equipment, and we intend to further promote these schemes in the future.

*⁴ To service and recondition used equipment to a near-new condition.



Vendor Solutions Business Division

Strategies

- Maintain and expand the largest market share in the vendor leasing market
- Establish an accurate and efficient operational structure utilizing data and digital technologies

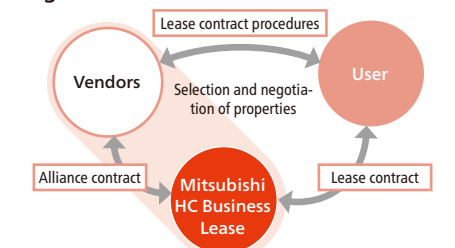


Main Initiatives

Our Group handles a variety of equipment, including information and telecommunications equipment, and supports sales promotion by manufacturers and trading companies through leasing and installment sales.

We are also working on the evolution of the vendor finance business, such as the incorporation of AI in the screening of leases and other contracts as the company with the top-class share of leases in the industry.

Conceptual Diagram of Vendor Lease Agreement



Business Strategies

Global Business

Contribute to solving social issues in each country through business development tailored to regional characteristics

Osamu Muramoto

Senior Managing Executive Officer, In charge of Global Business Unit,
Head of Europe Division, Global Business Unit



The overseas businesses of the Mitsubishi HC Capital Group have been strengthened as a growth area by Mitsubishi UFJ Lease & Finance and Hitachi Capital, respectively, prior to the integration. Currently, overseas operations have grown to account for approximately 60% of the total segment assets of the entire Group.

With overseas offices in more than 20 countries in Europe, the Americas, and Asia, we have one of the largest networks among Japanese leasing companies, offering a wide variety of products and services and developing our business with personnel with diverse skills to make this possible. One of our major characteristics and strengths is that our business foundation is supported by a well-balanced and diversified product and customer base and abundant human resources.

The Global Business Unit provides a wide range of high value-added products and services to global customers, while shifting its business portfolio to improve profitability. In addition to providing leasing, sales finance, and other services to quality local companies in each country and Japanese companies expanding overseas, we also support their growth by investing in their businesses. In the U.K., we are also contributing to the revitalization of local consumer activity through sales

finance and loans for individuals using digital technology.

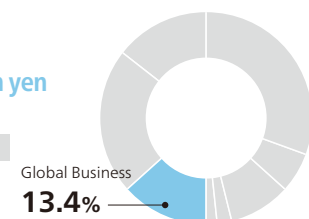
Each regional headquarters plans, formulates, and implements strategies tailored to the characteristics of its region. In Europe and the Americas, in addition to the respective focus areas, we are actively engaged in infrastructure financing, such as solar power generation and EV (electric vehicle) charging facilities, and EV leasing, in response to the need for a decarbonized society. Meanwhile, in Asia, we are strengthening our core products and services at each of our offices, as well as efficiently utilizing and reallocating management resources, including our network of offices and human resources, in light of the market environment.

Gathering information on and promptly responding to changes in the external environment, including global conditions, technological innovations, and political and economic situations in various countries, is becoming more important than ever before. The Global Business Unit will respond flexibly and promptly to changes in the environment by collaborating with our overseas network, human resources, and external partners, and will achieve further growth in business performance by responding to customer needs.

Segment profit (Fiscal 2023)

16.6 billion yen

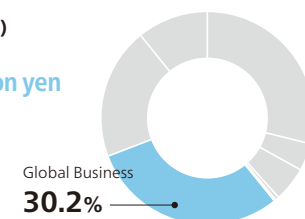
Group total
123.8 billion yen



Segment assets (As of March 31, 2024)

3,070.8 billion yen

Group total
10,179.4 billion yen



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 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

Europe

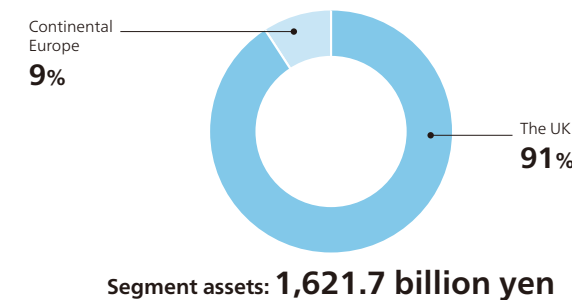
Mitsubishi HC Capital UK PLC ("MHCUK"), the core of our European business, is a UK non-bank financial services company, authorized and regulated by the Financial Conduct Authority (FCA), trading under the brand "Novuna"*. The group has been in business for over 40 years and currently has business establishments in 11 European countries, providing innovative financial solutions. With over 2,250 employees, the six business units have total assets of approximately 8.8 billion pounds and

close to 1.3 million corporate and individual customers.

We have achieved a high level of customer satisfaction by providing high value-added services utilizing digital technology. We are also actively involved in sustainable energy (solar power generation, energy storage systems, etc.) and sustainable transportation (EVs and EV charging facilities, etc.) for decarbonization.

* Coined from the Latin *novo*, meaning "new," and *una*, meaning "together." It represents our commitment to innovation together with our partners.

Breakdown of Assets by Region (As of March 31, 2024)



Jon Lawes
Managing Director,
Novuna Vehicle Solutions
Mitsubishi HC Capital UK

Robert Gordon
Chief Executive Officer
Mitsubishi HC Capital UK

2025 MTMP Progress

Improving added value through digitalization

We continue to enhance our digital technology, particularly in our core business of personal sales finance/loans, to provide a superior digital experience, fast reliable credit evaluation and payout for our customers. We continue to deliver consistent performance and business growth, despite the current high interest rate environment.

Strengthening decarbonization businesses

In our Europe business, we are promoting efforts to decarbonize society. For example, the percentage of

Battery Electric Vehicles (EV) in our fleet has already exceeded 20%. By 2030, we aim to convert 100% of our leased passenger cars and light commercial vehicles (less than 3.5 tons), and 50% of our funded larger van fleet (over 3.5 tons) to EVs. We are supporting Hydrogen HGV trials.

In 2023, we launched a Project Finance initiative to implement funding for projects that lead to reducing carbon emissions. The company provides services and funding for EV depot charging and maintains its investment in GRIDSERVE, one of the UK's leading EV public charging networks.

Future Efforts

Our Europe business has a very well-diversified risk portfolio, and its performance has been stable even in the current high-interest-rate environment. Going forward, we are aiming for further earnings growth as the external environment is expected to improve. In particular, our European mobility subsidiary, which is a member of the MHCUK Group, will play a very important role in

developing our future European business initiatives by leveraging our existing customer base and relationships with business partners. We will continue to provide innovative and value-added financial solutions to be one of the most trusted financial services brands in the UK and Europe.

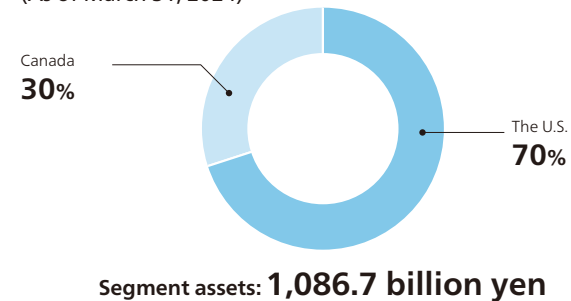
Business Strategies

The Americas

The Americas business is centered on Mitsubishi HC Capital America, Inc. (MHCA), which was established in April 2023 through the merger of three U.S. group companies, provides a wide range of financing solutions, including sales financing and operating leases for commercial trucks and other vehicles, and structured financing in the North American region (the United States and Canada). In addition, we provide new businesses and services together with our business partners, including business alliances with companies engaged in as-a-service businesses* to evolve and layer our business models.

* A business model in which product functions are provided as a service for a fixed fee.

Breakdown of Assets by Region
(As of March 31, 2024)



2025 MTMP Progress

Steady progress in the integration of the three companies

Through the integration of the three companies, we are combining the know-how accumulated by each company to enhance our presence in North America and our competitiveness by increasing added value of our products and services. We are also working to realize cost synergies and improve operational efficiency by organizing, consolidating, and integrating our offices scattered across the United States and multiple internal systems and platforms.

Efforts in various measures to enhance profitability

Commercial truck sales financing, the core business of the Americas business, is susceptible to trends in the

used car market and changes in debtor credit conditions associated with fluctuations in freight transportation supply, demand, and freight market conditions, and its profitability tends to fluctuate significantly. MHCA is working to strengthen its overall portfolio management to enhance its resilience to market fluctuations and ensure stable earnings. Specifically, MHCA will further promote well-balanced portfolio management in terms of both “offense” and “defense” by replacing and diversifying its business portfolio through proactive sales activities, reviewing credit judgment criteria, and improving collateral asset resale capabilities.

Future Efforts

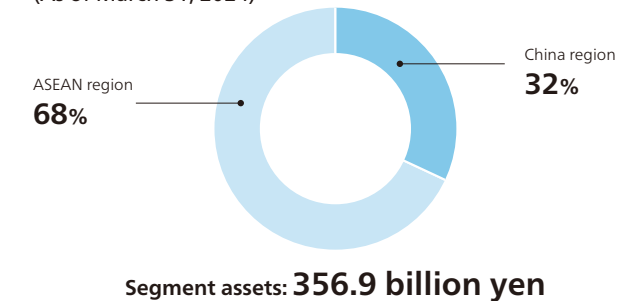
Currently, we are working on returning to profitability and growth by transforming our portfolio through the acquisition of new high-quality contracts that realize appropriate risk/return and the strengthening of our risk management system. In addition, we are steadily working on focused areas such as sustainability, decarbonization, and digital solutions in order to achieve our goals in the 2025 MTMP and our 10-year Vision. As part of these efforts, we are collaborating with startup companies in the Robotics as a Service business to acquire know-how and expertise in this new business.



ASEAN & China

In Asia, we operate in five countries: Singapore, Thailand, Indonesia, Malaysia, and China (including Hong Kong SAR). Our business activities are rooted in the local communities of each country, and we provide financing solutions that meet the needs of our customers and sales finance in partnership with vendors.

Breakdown of Assets by Region
(As of March 31, 2024)



2025 MTMP Progress

In addition to our core business of asset finance for industrial equipment, automobiles, construction machinery, and IT equipment, we are focusing on businesses that meet SDGs' needs, such as renewable energy and EV-related businesses.

At the same time, through the implementation of selection and concentration, we are downsizing

low-performing businesses, leading to improved profitability.

In Indonesia, we are considering partnerships with state-owned electric power affiliate companies to engage in solar-related businesses, and are promoting decarbonization businesses through collaboration with partners.

Future Efforts

We will continue to strengthen our corporate finance and sales finance businesses by leveraging the customer base and network of partners we have cultivated over the years while developing businesses based on our materiality.

For example, in Thailand, we have begun to make comprehensive proposals to help reduce greenhouse

gas emissions by combining the conversion of buses used to transport employees to and from industrial parks to EVs with the installation of solar panels, storage batteries, and recharging facilities.

We will accelerate our efforts to transform our business portfolio through strategic allocation of management resources and continue to improve profitability in Asia.



Topics

The challenge of new businesses to solve social issues in Malaysia

In addition to its headquarters in Kuala Lumpur, Mitsubishi HC Capital Malaysia Sdn. Bhd. has sales offices in Penang, Johor Bahru, Kota Kinabalu, and Kuching, and provides sales finance and customer finance throughout Malaysia.

The 2025 MTMP aims to (1) strengthen our core businesses through DX initiatives, including the development of digital platforms for vendors and customers, (2) enhance profitability by transforming our business portfolio into “finance + services” such as rentals and operating leases, and (3) pursue new business opportunities based on social needs for sustainability and decarbonization.

We are also actively investing in human resource development to encourage the acquisition of know-how and expertise that will contribute to the transformation of our business model.



Lee Boon Cheng
Managing Director
Mitsubishi HC Capital Malaysia

Business Strategies

Environment & Energy

Promoting a decarbonized society as Japan's leading renewable energy provider

Takuji Naruse

Managing Executive Officer
Head of Environment & Energy Business Division



We live in an era when the world is becoming more environmentally conscious and moving toward carbon neutrality, a major challenge facing our planet. We have a strong desire to contribute to solving this issue by responding firmly to the growing demand for renewable energy.

The Mitsubishi HC Capital Group is developing its renewable power generation business while owning 1.1 GW of power plants in Japan, mainly solar and onshore wind power. In addition, we are also involved in the battery storage business, which helps stabilize the power grid, the aggregation business¹, and the corporate PPA² business, which delivers electricity directly to customers who wish to adopt green power, thereby enhancing the value of our assets as we work toward the realization of a decarbonized society. Furthermore, focusing on the hydrogen market, which is expected to widely spread on a business basis after 2030, we have started to study the possibility of implementing a demonstration project for manufacturing green hydrogen using solar power generation.

Meanwhile, overseas, in April 2024 we took a 20%

stake in European Energy (EE) of Denmark, which is developing renewable energy businesses in 28 countries around the world, mainly in Europe. EE is also actively engaged in next-generation energy businesses such as green hydrogen and e-methanol production, and we will contribute to solving environmental issues with this company overseas as well.

Each of these initiatives is not a complete project in itself. We will organically link the knowledge and experience we have accumulated through our individual businesses, for example, by combining solar power generation and battery storage to utilize power stored during the day for 24 hours a day, or by collaborating with domestic and overseas businesses in the area of next-generation energy. Furthermore, we will proactively create new initiatives while maximizing synergies to play a solid role in supplying green energy for the next generation and create value for society.

^{*1} Business that manages the supply of electricity generated at power plants and controls supply-demand balance by serving as an intermediary between power companies and consumers.

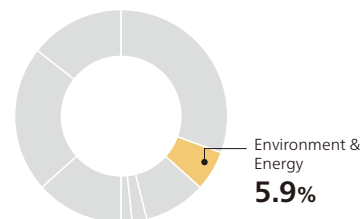
^{*2} A mechanism that allows companies to purchase electricity derived from renewable energy generating facilities from retail electric suppliers or power generation companies over the long term at fixed prices.

Segment profit
(Fiscal 2023)

7.3 billion yen

Group total

123.8 billion yen

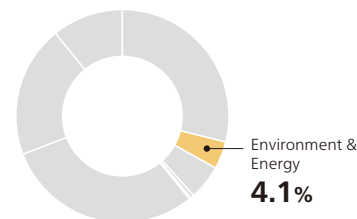


Segment assets
(As of March 31, 2024)

416.6 billion yen

Group total

10,179.4 billion yen



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

2025 MTMP Progress

2025 MTMP policies

We believe that the importance of renewable energy will increase globally, and in our business we are committed to expanding our power plants, engaging in new businesses to improve the added value of our assets, and accelerating business development in Europe and the United States. On the other hand, there are headwinds such as the relatively slow growth in demand for renewable energy at present and the increasing costs associated with renewable energy development due to inflation and high resource prices, but we are steadily sowing the seeds with the 2025 MTMP.

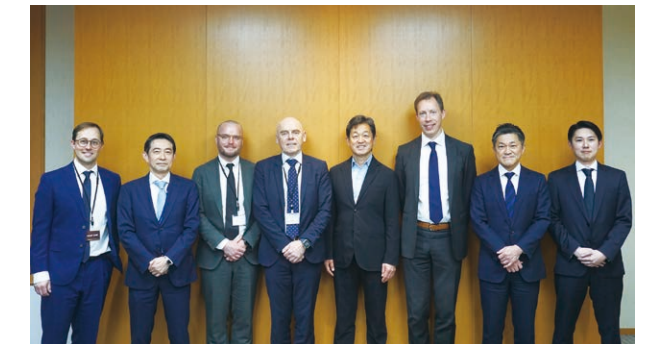
Evolution and layering of domestic business

In Japan, we are steadily developing projects to increase the power plants, and at the same time, we are strengthening our power supply base by selling some of our assets in order to improve the quality of our portfolio. We are also expanding our efforts in new businesses, such as aggregation business initiatives to maximize the value of our assets and the building of schemes to

support the introduction of decarbonization facilities in local communities.

Developing a business foundation in Europe

In Europe, we have invested in EE, a renewable and next-generation energy business company, to lay the foundation for business development, and we will support business growth and create social value by dispatching personnel to EE to work on its operations in the region.



Management teams of EE and Mitsubishi HC Capital

Future Efforts

This division has set the goal of “building a sustainable revenue base while continuous contribution to a decarbonized society.”

In Japan, we intend to capture market growth centered on solar power and onshore wind power, and maintain our position as the industry's leading renewable energy producer with 2.5 GW of generating capacity over the medium to long term. At the same time, we will accurately identify changes in electricity systems and establish an electricity service business that maximizes the value of assets we own through batteries storage business and aggregation business, etc., and promote evolution and layering of business models.

In addition, we will work on projects for hydrogen and other next-generation energy projects, after conducting demonstrations of such projects.

Overseas, mainly in Europe and the United States, we will expand our renewable energy business from development to operation by collaborating with renewable energy companies that have development functions. In Europe, we have developed our business with EE and will continue to expand our capability on a global basis as well.

To realize these goals, the human resources that support the business are indispensable, and we will work to raise awareness and develop human resources for the transformation into an Asset Utilization Business.



Topics

Investment in a European renewable and next-generation energy company

In April 2024, we completed our investment in EE, a Danish company that develops renewable and next-generation energy businesses mainly in Europe, and acquired 20% of its shares. This acquisition is part of our efforts in the Asset Utilization Business, which is part of the evolution and layering of business models that is the core of our 2025 MTMP.

Since its establishment in 2004, EE has steadily expanded its business and continues to grow. The company has been developing solar and onshore wind power generation businesses mainly in Europe, with a cumulative development track record of over 3 GW of renewable energy and more than 60 GW in development and construction projects.

The company is also actively involved in the next-generation energy business, producing green hydrogen and e-methanol using renewable energy-derived electricity, and is already preparing for commercial operation in Europe.



Power generating facility in Holmen, Denmark, developed by EE

Business Strategies

Aviation

Transforming the aviation business portfolio to lead the decarbonization of the airline industry

Yasuyuki Kusakari

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



Due to the growth of the global economy and global population, passenger demand and the number of aircraft are expected to increase over the medium to long term, and the aviation industry is positioned as a growth market. It is also a period of major change, as the world moves toward decarbonization and a shift to next-generation aircraft such as SAF* and hydrogen.

In the midst of the industry's "growth and transformation," the Aviation Business Division is responsible for driving the growth of the Group's business and taking on the challenge of change.

The strength of the Group's Aviation Business is its ability to meet the diverse needs of customers around the world through synergetic collaboration as a "global one team" between aircraft leasing company Jackson Square Aviation (JSA), spare engine leasing company Engine Lease Finance (elfc), used engine parts distributor INAV, and the Aviation Business Department, which handles Japanese Operating Lease. We have also developed an advanced global governance system, including risk

management, and a framework on which global human resources, regardless of nationality or location, whether domestic or overseas, can play an active role.

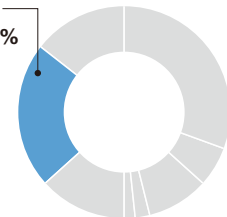
The Aviation Business is a relatively volatile business in terms of short-term performance, as passenger demand is susceptible to economic fluctuations, geopolitical risks, pandemics, and other factors. In this context, we have grown our business by providing a variety of services along the asset lifecycle, while controlling volatility and maintaining profitability consistently throughout our history, and while aggressively investing in aircraft and engines.

We will further leverage this robust business foundation and, together with various partners, take on the challenge of transformation by exploring new decarbonization businesses such as SAF and hydrogen to further improve business profitability and sustainable corporate value.

* SAF: Abbreviation for Sustainable Aviation Fuel.

Segment profit
(Fiscal 2023)
27.3 billion yen

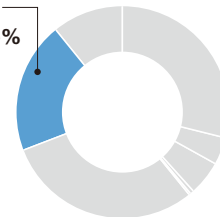
Aviation
22.1%



Group total
123.8 billion yen

Segment assets
(As of March 31, 2024)
2,020.0 billion yen

Aviation
19.8%



Group total
10,179.4 billion yen

Main business

Aircraft leasing business and aircraft engine leasing business

Core strategies in the 2025 MTMP

- Strengthen our ability to respond to industry changes and customer needs, sustain and expand our high-quality business portfolio, and enhance our risk management capabilities by leveraging the collective strengths of the Group
- Portfolio transformation through investment and implementation of next-generation aviation technologies such as SAF and hydrogen with a view to a decarbonized society

2025 MTMP Progress

Industry-leading portfolio

The number of aircraft in the Group's fleet at the end of fiscal 2023 increased to 220, up 21 from the end of the previous fiscal year, mainly due to aggressive investment in new-generation narrow-body aircraft. By balancing the purchase and sale of aircraft, we continued to maintain a high-quality portfolio with a high degree of liquidity and a young average aircraft age of 5 years and a remaining lease term of 7.2 years. As for engines, we strengthened cooperation with various partners and executed large-lot projects, which greatly increased the number of engines we possess to 411, up 64 units from the end of the previous fiscal year, and solidified our position as the market leader.

Strengthening the services of group companies

In addition to strengthening used engine-related services through elfc's wholly-owned subsidiary INAV, a new company, MHC Aviation Services Co., Ltd., was established in June 2024 to strengthen our ability to meet the needs of domestic investor clients and to expand our aircraft and engine-related services. In addition, we promoted cooperation among group companies and structured a large-scale lease project in collaboration with JSA, elfc, and INAV. As a result, segment profit for fiscal 2023 reached a record high of 27.3 billion yen, mainly due to the contribution of a large reversal of allowance for doubtful accounts.

Future Efforts

In order to realize our vision for the airline business as laid out in our 10-year Vision, "contributing to solving problems of customers and society through 'global one team' spirit and the provision of high-quality products and services in anticipation of a decarbonized society," we will continue to strengthen the Group's comprehensive strengths and build a future foundation with a view to decarbonization. We will provide global one-stop services for the entire aircraft and engine lifecycle through integrated global operations of this business unit, including JSA, elfc, and INAV, to achieve high-quality

Working toward transformation

Working toward a decarbonized society, we promoted the replacement and steadily increased the percentage of new-generation aircraft owned by JSA. We also invested in SAFFA Fund I, LP (SAFFA) to contribute to the expansion of SAF production, which is expected to be a decarbonization tool for the aviation industry. SAFFA is a fund that aims to increase SAF supply by investing in its production, and we are promoting the decarbonization of the industry through our investment in this fund. In addition, together with the partners, we signed a collaboration agreement to explore new business opportunities, and studied the commercialization of SAF and hydrogen-related businesses to plant the seeds for portfolio transformation.



portfolio growth and improve profitability.

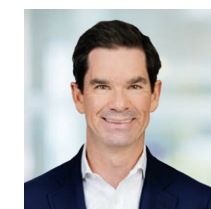
To bolster the overall strength of our aviation business, we will expand our product lineup for domestic investors, conduct M&A and portfolio purchases, build a global IT infrastructure through system integration, and upgrade the governance and risk management of our group companies. As for decarbonization, we will work on business development in the field of next-generation aviation technologies such as SAF and hydrogen, while increasing the ratio of new-generation aircraft and engines, mainly in JSA and elfc.



Topics

Initiatives to promote decarbonization in the aviation industry

As a first for JSA, Air France has signed a Sustainability Link Lease agreement for two Airbus A350-900 aircraft introduced by the airline in 2023. The Sustainability Link Lease adjusts the lease payment based on the customer's achievement of sustainability goals. JSA has established a mechanism to reduce lease payments based on the degree of achievement of KPI targets set in consultation with Air France. In addition, solar panels installed at elfc's headquarters are expected to cover more than 10% of the electricity used on the premises. Through these efforts, we aim to contribute to the promotion of decarbonization in the airline industry.



Kevin McDonald
CEO
Jackson Square Aviation



Richard Hough
President & CEO
Engine Lease Finance Corporation

Business Strategies

Logistics

Supporting global logistics with new ideas
and helping to reduce environmental impact

Hisashi Ishimaki

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



Our business strategy is to “contribute to solving social issues in the logistics field by further strengthening our business base and developing new businesses,” and we aim to become “an operating company with a global presence by constantly seeking to provide customer value.”

Marine containers and railcars handled by the Logistics Business Division are indispensable for ocean and rail logistics. Both of these modes of transportation emit less carbon dioxide than other means, and can efficiently transport large volumes of goods that support various industries and people’s lives.

In our marine container leasing business, we are actively engaged in the sale of used containers after lease expirations. These containers are mainly used for secondary purposes such as stationary warehouses on land, contributing to the realization of a circular economy. We are also actively introducing digital technology, for example, by developing demand forecasting models using AI.

In the railcar leasing business, we sell some of our existing railcars and replace them with new railcar

investment every year to constantly optimize our portfolio in response to market needs, thereby responding to customers’ requests and improving profitability.

Through these measures, we are contributing to reducing our environmental impact and solving social issues in the logistics industry while working to resolve our materiality.

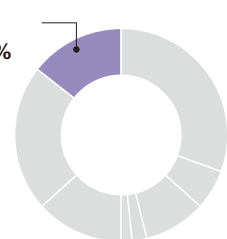
All of the leased assets in this division are intended to be held for 10 years or longer. Therefore, in order to maintain high profitability while responding to changes in the business environment and managing risks that may occur during the long holding period, it is important to develop and secure expert personnel who are well versed in the industry. It is also important to build organizational wisdom in terms of knowledge, expertise, and know-how. Human resource development and organizational development are two of my most important roles, and keeping this in mind, I promote business management through professional teams on a daily basis.

Segment profit
(Fiscal 2023)

Logistics
14.4%

17.8 billion yen

Group total
123.8 billion yen

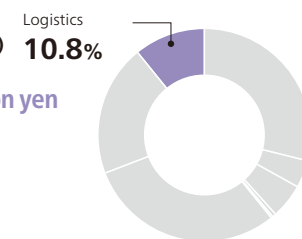


Segment assets
(As of March 31, 2024)

Logistics
10.8%

1,099.0 billion yen

Group total
10,179.4 billion yen



Main business

Marine container leasing business, railcar leasing business

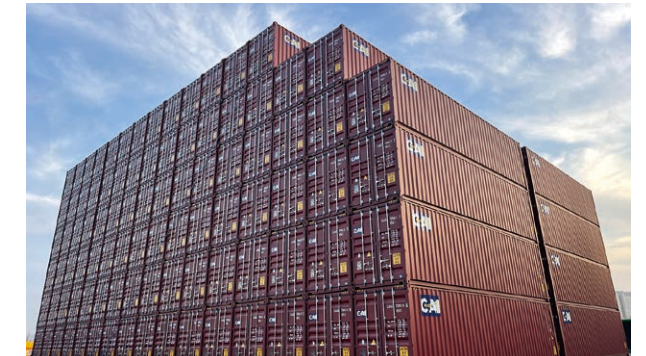
Core strategies in the 2025 MTMP

- 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 railcar leasing business by generating income and capital gains through the shift to the asset turnover model to optimize the balance of existing fleet by railcar type through a mix of the sale of some of the owned assets and new car investments
- Create new growth opportunities that contribute to realizing a decarbonized and circular society

2025 MTMP Progress

Reinforcing the business foundation to increase earnings

In fiscal 2023, the marine container leasing market entered an adjustment phase of supply and demand as market conditions, which had a surge in demand during the COVID-19 pandemic, normalized. Under these circumstances, CAI International (CAI), the Group’s marine container leasing company, maintained a high utilization rate of approximately 99% throughout the year, thanks to marketing and operational efforts, including proactive leasing offerings of the existing container fleet and extension of existing contracts, while controlling new investments to a moderate level. In fiscal 2024, demand for marine containers is on a recovery trend, as the political uncertainty in the waters surrounding the Suez Canal and restrictions on traffic through the Panama Canal have disrupted marine logistics and increased the volume of vessels required worldwide. By keeping a bird’s-eye view of these market trends and making agile and flexible new investments, the marine container leasing business is steadily strengthening its business base in accordance with a core strategy set forth in the 2025 MTMP. PNW Railcars (PNW), the Group’s railcar leasing company, continued to execute leases at favorable terms and improve its utilization



throughout the year through business activities that capitalized on the robust railcar leasing market. PNW Railcars is also working to improve profitability as outlined in the 2025 MTMP by optimizing its portfolio through the replacement and conversion of railcars to meet customers’ needs, and by adopting the asset turnover model in which some of its railcars are sold and replaced with newly purchased cars. We will continue to invest in key transportation infrastructure assets in North America to further strengthen our business foundation and contribute to social and economic development.

Future Efforts

We deal in transportation equipment that is indispensable to the logistics that support society and the economy, and we will contribute to solving social issues in the logistics industry through our business activities while making the most of the logistics-related knowledge, capabilities, and expertise that CAI and PNW possess.

As part of our transformation efforts, we are actively promoting the use of digital technology to streamline and improve the efficiency of our operations, and also promoting R&D activities to develop new businesses. We are also engaged in active discussions on organizational reforms and the evolution and layering of business models. The presence

of mid-career employees with experience and expertise in the logistics industry and people with diverse backgrounds in our organization is one of our strengths in taking on the challenge of reform.

By sharing the logistics-related knowledge and expertise developed in this division with other divisions, we will leverage the comprehensive strengths of the Group to strengthen our business foundation and create new growth opportunities that will contribute to improving logistics efficiency and realizing a decarbonized, recycling-oriented society, both in Japan and overseas.



Topics

Enhanced SX and DX initiatives to reduce environmental impact and sophisticate container management

CAI has made considerable progress toward two major corporate initiatives: the first is our commitment to sustainability and the environment and the second is ongoing digital transformation. We continually work to minimize the environmental impact of container manufacturing, including the use of water-based paints and refrigerants with lower global warming potential. Our global offices use renewable energy sources when available and recycling initiatives.

Digital transformation is a continual process as we manage a fleet with over 3 million CEU*¹ of equipment. The combination of data analytics and machine learning can allow us to better predict container demand, fleet movements, and repairs costs. The use of telematics*² allows us to have smart containers*³ that can be tracked in real time and better predict port arrivals and manage storage costs. The increased adoption of cloud-based technologies will allow our systems to communicate directly with our customers, enhancing overall customer service and further leveraging CAI’s relationship with our customers.

*¹ Cost equivalent unit whereby the cost of each type of container is expressed as a ratio relative to the cost of a standard 20-foot dry van container.

*² A technology that makes it possible to provide new services by installing a communication system on a moving medium and communicating information in both directions.

*³ Container that collects and shares position, temperature, and other data in real time using built-in sensors and communication technology.



Katherine McCabe
President and CEO
CAI International, Inc.

Business Strategies

Real Estate

Maximizing the power of real estate and promoting the creation of sustainable social infrastructure

Katsuji Okamoto

Managing Executive Officer
Head of Real Estate Business Division



Real estate is the foundation of people's lives (homes and commercial properties) and industrial activities (office buildings and logistics facilities). In Our 10-year Vision, we aim to be a player that can contribute to creating and maximizing the social and economic value of real estate and building sustainable social infrastructure through our three core businesses of real estate financing, real estate investment, and real estate asset management. This is also a solution to the materiality that we are facing.

Specifically, in the real estate investment business, we are engaged not only in development activities but also in environmentally and socially conscious revitalization investments that renovate and effectively utilize existing properties without demolishing them. In the real estate financing business, we also provide financing with an emphasis on ESG perspectives. In the real estate asset management business, we will expand assets under management through existing private REIT businesses and the new funds to meet investor needs, to contribute to building

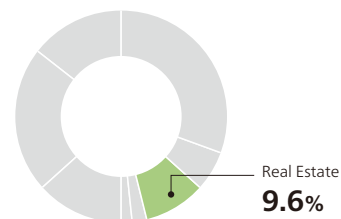
sustainable social infrastructure through long-term asset management. In addition, we will continue to evolve real estate, which is the foundation of lifestyles and industry, into something without being bound by precedents, while effectively utilizing our stable and strong customer and partner base in response to changes in the business environment.

To this end, we have enhanced our portfolio and improved profitability through the sale of Diamond Asset Finance (DAF), a housing finance company, and the acquisition of CenterPoint Development (CPD), a logistics development and management company, as a wholly-owned subsidiary. In addition to this, we are proactively cooperating with a hospitality-related DX operator to improve the operational efficiency of hotels in which we invest (through the Innovation Investment Fund), and are considering the automated operation of cold warehouses, which have unfavorable labor conditions, thus promoting our SX and DX strategies.

Segment profit
(Fiscal 2023)

11.9 billion yen

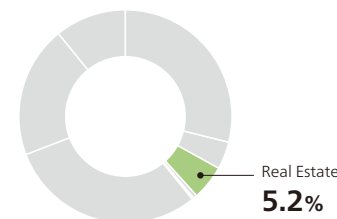
Group total
123.8 billion yen



Segment assets
(As of March 31, 2024)

525.4 billion yen

Group total
10,179.4 billion yen



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

2025 MTMP Progress

The Evolution and Layering of Business Models and Business Portfolio Transformation

In this business segment, following the sale of DAF in March 2023 at the end of the previous fiscal year for the purpose of business portfolio transformation to improve ROA, we made CPD a wholly owned subsidiary in April 2023 to evolve the business model and acquire in-house development capabilities for logistics facilities. In the real estate finance business, we are strengthening our efforts in highly profitable projects, while studying the O&D*¹ business, identifying projects, and working to execute them.

SX Promotion Initiatives to Solve Social Issues

In the real estate financing business, in addition to investing in and financing environmentally and socially conscious assets such as ZEH*² housing and properties with environmental certifications, we are actively investing in and financing office assets with laboratories for social infrastructure development and the development of environmentally friendly cold warehouses. In the real estate investment business, we are implementing a number of initiatives aimed at acquiring environmental certifications through renewal work, facility upgrades, and other value-enhancing measures, as well as new development. In the real estate asset management

business, we have acquired a GRESB rating, a benchmark for ESG considerations, and are working to improve our score by further strengthening our initiatives.

New Business Development and Business Alliances with a Focus on Corporate Transformation (CX)

As part of our CX initiatives, we are strengthening our investments in and business alliances with startup companies through our Innovation Investment Fund, the first of which is Tabist, which provides support for promoting DX in lodging facilities, and the second is *matsuri* technologies, which deal in private lodging. The former aims to increase the potential value of lodging facilities and solve issues faced by the lodging industry, while the latter aims to increase the value of rental housing and solve the shortage of human resources in the lodging and tourism industry through a labor-saving model, and aims to increase earnings by improving the management of this business and creating new markets.

*1 Origination & Distribution. A business model that increases profitability by selling a portion of real estate non-recourse loans to outside parties, for example, by dividing them into senior and subordinated tranches.

*2 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 such as solar power.

Future Initiatives

In the medium to long term, the positioning of real estate as an investment asset will remain unchanged, and we expect the real estate market to continue to grow both in Japan and overseas. In this context, by concentrating resources on our three core businesses, we will build a structure that will enable us to create further business opportunities and transform our business portfolio. We will also demonstrate a high presence in the real estate market and drive further improvement in ROA. In addition, we will

strengthen investment and development in environmentally and socially conscious assets, particularly in the office and logistics sectors, to add value to our portfolio.

In order to realize Our 10-year Vision, we will create and maximize the social and economic value of real estate, which is the foundation of lifestyles and industry, to provide convenience, safety, and comfort to global and local communities and people, thereby contributing to the building of sustainable social infrastructure.



Topics

Creating a Lively Atmosphere through a New Landmark Building Complex in Osaka, the City of Water

Osaka Dojimahama Tower (hereafter "the Project"), which has been developed in Dojimahama 1-chome, Kita-ku, Osaka City in collaboration with Mitsubishi Estate, Mitsubishi Corporation Urban Development and Sekisui House was completed in April 2024. The Project was planned to reconstruct the Osaka Mitsubishi Building, long a symbol of the region, as a new landmark to serve as a symbol of Osaka, the city of water, integrated into the surrounding waterside space with consideration of its regional and historic nature. The building was reborn as a multi-purpose building encompassing offices, a hotel, and a retail zone with 32 floors above ground and a total floor area of approximately 67,000m². By offering new working styles and one-of-a-kind experiences, it will further enhance the appeal of its surroundings and strengthen Osaka's international competitiveness. The Project also includes the redevelopment of Dojima Park, including a sightseeing boat dock that will form a new waterside hub and enhance disaster prevention functions.



Osaka Dojimahama Tower

Business Strategies

Mobility

Contribute to customers' decarbonization by expanding the ecosystem for next-generation mobility

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.



Nowadays, people are saying that the automobile industry is undergoing a once-in-a-century transformation, and I believe that our auto leasing business must also change. The Mobility Business Division's business strategy is to strengthen and develop EV-related businesses based on society's decarbonization needs. We aim to contribute to solving social issues through efficient and low environmental impact mobility businesses that support the movement of people and goods.

Electric vehicles (EVs) are one of the means to realize a decarbonized society, but their introduction and operation require a different approach than that of conventional gasoline- and diesel-powered vehicles, namely, a solution to the "charging" problem. We do not simply lease the EVs themselves, but also provide integrated EV services that combine charging facilities, renewable electricity, and battery degradation diagnosis according to customer needs. EVs have a high compatibility with digital technology, so we are also developing new services that

support safe and efficient operation by collecting and analyzing a variety of data on vehicle condition and operating status.

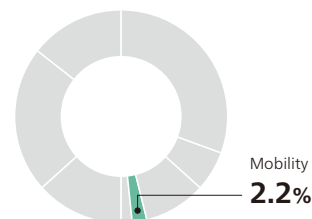
Through these efforts, we are contributing to the realization of a decarbonized and recycling-oriented society while working to resolve the materiality of our Company.

EVs and the technologies surrounding them are expected to continue to advance in the future. We aim to create new business models that are not yet available in the world by combining them. However, what is important at this time is to nurture the ideas and concepts that emerge through the exchange of various opinions and ideas, and link them to the creation of innovative value that has never existed before. One of my important roles is to create an open organization with a high level of psychological safety, where we respect each other and can have unrestricted discussions about anything with anyone. Always keeping this in mind, I continue to take on daily challenges together with my colleagues.

Segment profit
(Fiscal 2023)

2.7 billion yen

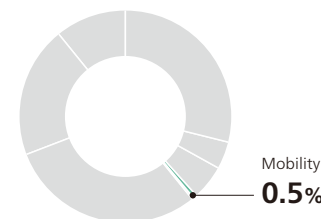
Group total
123.8 billion yen



Segment assets
(As of March 31, 2024)

51.9 billion yen

Group total
10,179.4 billion yen



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

2025 MTMP Progress

Building integrated services necessary for the introduction and utilization of EVs

The Mobility Business Division, as part of the EV initiative in the business strategy of the 2025 MTMP, "Key Themes across Segments," has been working with related internal departments and external business partners to build an integrated EV service through demonstration tests involving the conversion of our company fleet to EVs. In September 2023, the Mobility Business Division, in collaboration with Mitsubishi HC Capital Energy, Mitsubishi Auto Leasing, and other members of the Mitsubishi HC Capital Group released the first integrated EV service that provides EV leasing, fleet management, parking facilities where charging facilities can be installed, and charging services using electric power with non-fossil value.

Initiatives in the domestic auto leasing business

Mitsubishi Auto Leasing and Mitsubishi HC Capital Auto-Lease merged in April 2023, and we focused on mutual understanding, integration, and synergy creation between the former two companies, as well as on specific discussions regarding the new company's vision and

medium- to long-term management direction. In addition, together with our business partners, we have been working to realize a decarbonized society by providing mobility services centered on EVs to Setagaya, a ward of Tokyo, and by improving business efficiency through the use of digital technologies.

Strengthening mobility business in the ASEAN Region

We worked to strengthen the foundation of our auto leasing business and evolve our business model through DX. ALD MHC Mobility Services (Thailand), established in Thailand as a joint venture with Ayvens, the world's top player in the auto leasing industry, commenced full-scale operations in August 2023. PT. Balai Lelang Caready, which operates an auction business in Indonesia, has greatly improved customer convenience with its independently developed auction system, and was selected as the best auction company for fiscal 2023 by the Directorate General of Finance and Asset Management, the local regulatory authority.



Future Initiatives

Leveraging the integrated corporate strength of our Group, we will further expand functions offered that are necessary for introducing and operating EVs, in cooperation with the Environment & Energy Business Division, which promotes renewable energy business, the Real Estate Business Division, which collaborates in the installation of charging facilities, and the Digitalization Strategy Planning Department, which has expertise in

data collection and analysis. In addition, we will contribute to solving social issues by supporting customers' decarbonization efforts in cooperation with the Customer Solution Unit. Furthermore, we aim to further create synergies from the Mitsubishi Auto Leasing merger in Japan and to develop integrated EV services and further strengthen our customer base in cooperation with our partners in overseas regions.



Topics

Capital and business alliance with a strategic business partner to strengthen the functions of integrated EV services

In fiscal 2023, the Company entered into a capital and business alliance agreement with AAKEL Technologies (AAKEL), a provider of GHG emissions reduction support services and EV energy management systems. Through this alliance, we have begun a demonstration experiment replacing company-owned vehicles with EVs with the aim of providing our customers with a new high value-added service that combines AAKEL's EV energy management function and battery degradation diagnosis function through measurement and analysis of SoH* data with our integrated EV services. In addition, we will help "promote a decarbonized society," one of our materiality, by utilizing the Company's extensive carbon neutrality and digital expertise and delivery capabilities, not only in collaboration in the mobility field, but also in areas such as decarbonization solutions, one of our Key Themes across Segments.

* SoH: Abbreviation for State of Health. An indicator of battery deterioration. Percentage of fully charged capacity at the time of degradation with the initial fully charged capacity set to 100%.

AAKEL Business Model

