

Message from the Chairman of the Board



We will deepen discussions with the executive team in both “offensive” and “defensive” areas for increasing corporate value over the medium term.

Drawing on my experience as president in implementing the business integration, including the Post Merger Integration (“PMI”), as the non-executive Chairman of the Board, I will strive for the smooth operation of the Board of Directors and the Governance Committee as an advisory body as well as the Nomination Committee and the Compensation Committee as consultative bodies. We will also ensure that the Board of Directors reliably fulfills this role to attain the objectives of the Medium-Term Management Plan for FY2023-FY2025 (“2025 MTMP”) and ultimately achieve Our Mission.

Takahiro Yanai

Director, Chairman
(Chairman of the Board)

Mitsubishi HC Capital designated the first two years after the business integration in April 2021 as the period for the PMI. One of our priority issues during this stage was to deepen mutual understanding between the two predecessor companies. At the same time, the Board of Directors also ascertained the overall picture of the integrated company from a variety of perspectives by discussing numerous proposals based on conservative and broad-based standards for items to be submitted to the Board of Directors. Through this process, each member of the Board of Directors has gained a deeper understanding of the Company. In FYE3/2023, the second year of the integration, active discussions were held when formulating the Medium-Term Management Plan. In this manner, along with our defensive-oriented discussions focused on risk management, we have gradually deepened “offensive” discussions that contribute to our strategy formulation.

Regarding the governance system design of Mitsubishi HC Capital, the Company has established the Governance Committee as an advisory body as well as the Nomination Committee and the Compensation Committee as consultative bodies to the Board of Directors. These are voluntary committees, with the majority of the Nomination Committee and Compensation Committee composed of Independent Outside Directors, however, by stipulating that the Board of Directors shall attach high importance to resolutions by each committee, we have established a system under which the opinions of Independent Outside Directors are firmly reflected in the Company’s important decision-making.

In FYE3/2023, the Nomination Committee discussed the selection of a successor in the event of a change in the president, while the Compensation Committee discussed re-evaluating the executive compensation system from the perspective of stakeholders. The Board of Directors reached conclusions in line with the results of each resolution. The Governance Committee serves as an advisory body to the Board of Directors and primarily evaluates the effectiveness of the Board of Directors and discusses improvement measures

based on this evaluation. For example, we have received feedback regarding the operational aspects of the Board of Directors, such as providing better explanations prior to deliberating on important proposals, and we are taking improvement actions to enhance the effectiveness of the Board of Directors. Based on these evaluations of effectiveness, we plan to review the standards for items to be submitted to the Board of Directors in the second half of FYE3/2024, delegate as many matters as possible to the executive team, and ensure that the Board of Directors spends sufficient time on deliberating themes of higher importance in terms of governance and strategy.

Meanwhile, to steadily execute the role of the Board of Directors, Outside Directors are actively implementing on-site inspections. We will deepen discussions at board meetings by observing business sites in Japan and overseas and listening directly to group executives and employees, including the management teams of overseas subsidiaries. In the future, we will continue to increase opportunities for on-site inspections, including those for ourselves.

The 2025 MTMP features the major theme of “transformation” toward exploring the frontiers of the future without being bound by precedents while considering significant changes in the external environment. To realize this “transformation,” we aim to create a corporate culture that does not fear failure.

Taking on this challenge naturally involves risks. With this in mind, the Board of Directors needs to strengthen its defensive functions to appropriately monitor risks. Concurrently, each director should leverage his or her own specialized knowledge to provide appropriate advice to the executive team, and I believe that our offensive functions that support the implementation of this strategy will assume an even greater degree of importance.

As the Chairman of the Board of Directors, I will make my utmost efforts to ensure the smooth operation of the Board of Directors to enable the Board of Directors to engage in both offensive- and defensive-oriented discussions and implement governance that meets the expectations of various stakeholders.