

Compliance

In order to achieve Our 10-year Vision, it is essential for all officers and employees, including those of Group companies, to recognize and share the basic compliance values and ethics so as to realize Our Mission, “Contribute to a prosperous and sustainable future by creating social value through maximizing the potential of assets.” All officers and employees are guided by and comply with the Mitsubishi HC Capital Group Code of Ethics and Conduct established by the Board of Directors.

Compliance Efforts

The Group strongly recognizes that the trust and confidence of its customers and society are the cornerstones of its existence and considers it of utmost importance to practice corporate activities based on a high sense of mission and ethics.

From this perspective, we have established the Mitsubishi HC Capital Group Code of Ethics and Conduct as a guideline for Group officers and employees on our basic values and ethics regarding compliance.

In addition, to ensure compliance with the Code of

Ethics and Conduct, we have prepared a compliance manual with more specific and easy-to-understand explanations, which is available on the Company intranet for all Group officers and employees to access at any time for ongoing education.

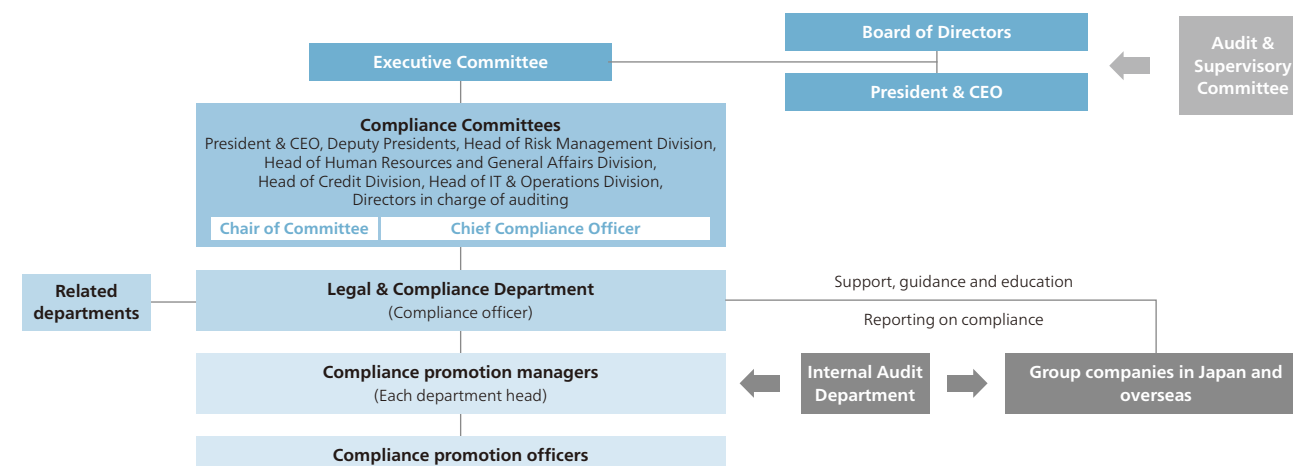
In addition, we continuously conduct Integrity Training to share the importance of “integrity” (Maintain the highest standards of ethics and constantly return to the basics), which is an Action Principle of our Group, with all Group officers and employees.

Outline of Compliance Management Structure and System

Our Chief Compliance Officer (CCO) supervises a company-wide compliance management structure and system. Under the leadership of the CCO, the Legal & Compliance Department plans and manages internal structures and systems and provides guidance and supervision to each division and Group company, as well as guidance on the correction of compliance violations. In the event that a compliance violation is brought to light, our basic response policy is for the Legal &

Compliance Department to ensure prompt reporting to management, the fulfilling corporate social responsibility, and the prevention of further harm and recurrences. Depending on the nature of the compliance violation, a third-party organization may be involved in the investigation. We strive to investigate the cause of such incidents, formulate and implement measures to prevent recurrences, and further educate employees to raise awareness of compliance.

Please refer to our website for details.
Code of Ethics <https://www.mitsubishi-hc-capital.com/english/sustainability/governance/compliance.html>



Compliance-Related Awareness and Education

With regard to the various business laws (Money Lending Business Act, Installment Sales Act, Financial Instruments and Exchange Act, etc.) for which the Group is registered and licensed, the Company provides individual training and measures the level of understanding. In addition, the Group provides yearly education on the Code of Ethics and Conduct and other laws and regulations related to anti-corruption in general (anti-bribery, compliance with antitrust laws, prevention of fraud,

prevention of insider trading, prevention of transactions with anti-social forces, prevention of money laundering, personal information protection, Whistleblower Protection Act, security trade control, understanding of anti-harassment, etc.). In addition to the training, we conduct periodic monitoring using compliance awareness surveys and self-checks to measure the level of understanding and confirm that understanding has penetrated the Company.

Whistleblowing System

The Group has set up a compliance hotline system as a whistleblowing system for officers and employees to report and consult about misconduct and related issues (any real or suspected violation of laws, regulations, internal rules, or the Code of Ethics, including corruption, by officers, employees, etc.).

The compliance hotline system provides multiple points of contact within and outside the Company where officers and employees (including those already retired) can report and consult without hesitation and may do so anonymously. The consultant is obligated to maintain confidentiality.

In the event that a compliance violation is brought to light through a hotline or other means, we ensure prompt reporting to management, the fulfillment of corporate social responsibility, and the prevention of further harm and recurrences. In addition, after analyzing the content of hotline reports, we strive to deepen employee education and foster compliance awareness.

What can be consulted or reported

Any of the following acts engaged in by officers and employees in violation or suspected of being in violation of laws, regulations, internal rules, or the Code of Ethics can be consulted or reported.

- Acts affecting the protection of customer interests
- Acts impacting the protection of the environment
- Acts affecting fair competition, such as violations of anti-trust laws
- Acts related to provision of bribes or other illegal benefits to government officials and the like both in Japan and overseas
- Other inappropriate acts in violation of laws, regulations, rules, or social justice

Officers and employees who report or consult shall receive no disadvantageous treatment whatsoever due to such reporting or consulting.

Principles for Money-Laundering Prevention

The Group is striving to enhance its structure and system to prevent money-laundering and terrorist financing (collectively, “Money-Laundering”) and eliminate any trade relationship with persons (individuals and entities)

subject to sanctions, which violates economic sanctions of the United Nations, international organizations, and individual countries.

1. We shall comply with all applicable laws and regulations for preventing Money-Laundering in and outside the country.
2. Recognizing Money-Laundering prevention as one of our critical challenges, the top management of each company of the Group shall proactively and aggressively tackle this issue.
3. With regard to persons subject to sanctions identified under the UN Security Council’s resolution and by OFAC or other regulatory authorities, we shall check and screen every contemplated transaction appropriately according to applicable laws and regulations.
4. Taking the risk-based approach, we shall appropriately manage customers and transactions to address the risks in the Money-Laundering.
5. We shall monitor all transactions continually, and if any of them is suspected of being involved in Money-Laundering, we shall report it to relevant authorities as required.
6. We shall provide training programs continuously to maintain and improve awareness about Money-Laundering prevention of the officers and employees of the Group and their capability to deal with those transactions.
7. We shall ensure the appropriate business operation for Money-Laundering prevention by conducting regular internal audits and other processes.