Transition Plan toward the Realization of a Carbon-neutral Society

Mitsubishi HC Capital Inc.

June 6, 2025

MITSUBISHI HC CAPITAL

Legal Disclaimer

MITSUBISHI HC CAPITAL

- This presentation contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of Mitsubishi HC Capital Inc. and/or its group companies.
- These forward-looking statements are inherently subject to a number of risks and uncertainties that could cause the actual results, performance, achievements, financial position, etc. to differ materially from the information expressed or implied by these forward-looking statements, which is based on assumptions and beliefs in light of information currently available to the management of Mitsubishi HC Capital Inc. at the time of publication. Accordingly, due to various risks and uncertainties, the statements are not a guarantee of future performance or developments. We may not be successful in implementing our business strategy, and management may fail to achieve its targets for a wide range of possible reasons.
- Amounts are rounded down in this presentation, which may cause a fractional error in total amounts. We undertake no obligation to update or correct any forward-looking statements after the date of this presentation. The information set forth in this presentation is subject to change without notice.
- This presentation is not intended to solicit, offer, or sell investments in any jurisdiction, and should not be the sole basis for making investment and other decisions. The reader is cautioned not to place undue reliance on forward-looking statements.
- We assume no liability for any damage resulting from the use.
- This presentation is created in Japanese and translated into English. The Japanese text is the original and the English text is for reference purposes. If there is any conflict or inconsistency between these two texts, the Japanese text shall prevail.

Definitions of Terms and Figures Used in this Presentation

- MHC: Mitsubishi HC Capital
- Group: Mitsubishi HC Capital and its major consolidated subsidiaries
- JSA: Jackson Square Aviation (aircraft leasing company)
- Realty: Mitsubishi HC Capital Realty
- MRA: Mitsubishi HC Capital Realty Advisers
- CPD: CenterPoint Development (became a wholly-owned subsidiary in April 2023)

- Net Income: (Quarterly/annual) net income attributable to owners of the parent
- ROA: $\dfrac{\text{Net income}}{\text{(total assets at the end of previous FY + total assets at the end of this FY) / 2}}$
- ROE: $\dfrac{\text{Net income}}{\text{(equity capital at the end of previous FY + equity capital at the end of this FY) / 2}}$

Table of Contents

Toward the Realization of a Carbon-neutral Society in 2050

Taiju Hisai
Representative Director,
President & CEO

The United Nations' Intergovernmental Panel on Climate Change (IPCC) announced in 2021 in its Sixth Assessment Report that by around 2030, the average temperature of the planet will have risen by 1.5 degrees compared to before the Industrial Revolution. With global average temperatures hitting record highs in 2024, as they also did in 2023, we can no longer avoid dealing with climate change. Meanwhile, amid the issues of emergency risk in regions such as Europe and energy price fluctuations, the stable supply of energy that is environmentally friendly while supporting economic growth is becoming increasingly important.

With an awareness of these issues, the Mitsubishi HC Capital Group identified the Group materiality, which includes "Promote a Decarbonized Society," and we have since been continuing with various initiatives toward the realization of a carbon-neutral society by 2050. First, we set our targets for the reduction of greenhouse gasses emitted by our Group (Scope 1 and 2) and have been making steady progress toward achieving our 2030 targets through initiatives such as promoting energy conservation and gradually shifting the vehicles used by our Group companies to EVs.

Next, toward the reduction of greenhouse gasses emitted by parties outside our Group in connection with our activities (Scope 3), we have set interim targets and are implementing initiatives to achieve them, while measuring and disclosing emissions from our Group's leasing, installment sales, rental, and investment and loan transactions with large amounts of greenhouse gas emissions. We are also exercising our strengths as a top renewable power generator in Japan to support our customers' transitions to renewable energy. In addition to providing renewable energy such as solar and wind power both domestically and overseas, we are at work in next generation energy fields such as the development of a hydrogen value chain.

To further increase the effectiveness of our efforts to "Promote a Decarbonized Society," our Group has formulated its Transition Plan toward the Realization of a Carbon-neutral Society, which, in addition to initiatives following the setting of targets for Scope 1 and 2 emissions and their progress, sets out the processes toward achieving interim targets for Scope 3 emissions. With this plan, we are placing great importance on sharing information and communicating with our stakeholders.

In closing, I hope for your understanding of and cooperation in our efforts toward the realization of a carbon-neutral society. We will cooperate with our stakeholders and together achieve a sustainable future.

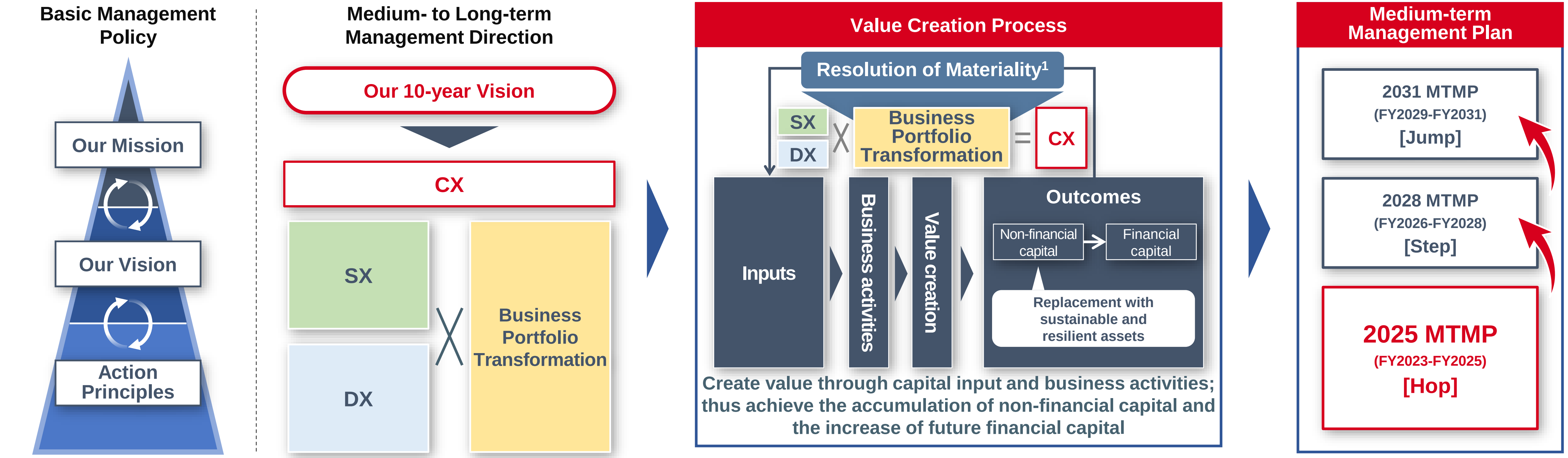
Positioning of the Transition Plan toward the Realization of a Carbon-neutral Society at the Group

MITSUBISHI HC CAPITAL

The Group has set the goal of creating social value by maximizing the potential of assets together with our customers and partner companies and thereby contributing to a prosperous and sustainable future as Our Mission, and defined Our Vision to achieve this.

We have also undertaken an examination of important ESG issues from the Group's perspective and the perspective of external stakeholders, and following deliberations by the Sustainability Committee and the Executive Committee, we have identified the Group's materiality by resolution of the Board of Directors. Among these, our climate change initiatives relating to "Promote a Decarbonized Society" are positioned as one of the most important issues for management, and these initiatives are reflected in the medium- to long-term management direction, the value creation process, and the Medium-term Management Plan (MTMP).

This report summarizes our specific initiatives to "Promote a Decarbonized Society" through business activities and those related to replacing our assets with sustainable and resilient assets, which is a theme in our value creation process initiatives, as our Transition Plan toward the Realization of a Carbon-neutral Society (hereinafter "Transition Plan").



(Note) 1. ① Promote a Decarbonized Society, ② Realize the Circular Economy, ③ Establish Resilient Social Infrastructure, ④ Realize Healthy Lifestyles that Promote Positive Wellbeing, ⑤ Create Businesses Utilizing the Latest Technologies, ⑥ Collaborate with Partners Locally and Globally

The Formulation of the Transition Plan

The Group aims to achieve carbon neutrality by 2050 regarding greenhouse gas (GHG) emissions accompanying the Group's own business activities (Scope 1 and 2) and GHG emissions mainly from the use of leased assets by customers (Scope 3).

In our Medium-term Management Plan announced in 2023, we have set a 55% reduction by FY2030 compared to FY2019 as a milestone for Scope 1 and 2 emissions. Regarding Scope 3 emissions, we are working on accounting for and disclosing GHG emissions, giving priority to assets with large amounts of emissions. In addition, we set replacing our assets with sustainable and resilient assets as a theme to work toward for the accumulation of non-financial capital (manufacturing capital, natural capital, and social and relation capital) through our business activities in our value creation process. Based on this theme, in order to raise the value of our assets and reduce the risk of damage to that value, we are replacing our assets with ones that retain their value over the medium to long term. By aligning the Transition Plan with the entire Group's strategies and the strategies of each segment, we will promote decarbonization and the shift to electric in our existing businesses, and contribute to the realization of a carbon-neutral society in 2050.

If there are any great changes such as in the assumed external environment regarding response to climate change, we will review the Transition Plan as needed. We will also enhance the plan based on a common understanding with our internal and external stakeholders.

Each of the Group's employees will actively engage in dialogues with our various stakeholders, including our corporate customers and investee companies, business partners, government and public institutions, industry organizations, and local communities, in working toward realizing a carbon-neutral society.

Reporting Period	April 1, 2023-March 31, 2024 (period for which third-party certification for GHG emissions was acquired), in principle (including reports on some business activities outside this period)
Scope of Reporting	Mitsubishi HC Capital and its major consolidated subsidiaries
Referenced Guidelines	■ TPT Disclosure Framework, Oct. 2023 (hereinafter "TPT Disclosure Framework") (UK Transition Plan Taskforce) ■ Climate Transition Finance Handbook - Guidance for Issuers (International Capital Market Association, ICMA) ■ Basic Guidelines on Climate Transition Finance (Financial Services Agency; Ministry of Economy, Trade, and Industry; Ministry of Environment) ■ Guidelines for Initiatives Required by GX League Participating Companies (for Financial Institutions) (Ministry of Economy, Trade, and Industry)

Major Strategies in Achieving Our Materiality, "Promote a Decarbonized Society"

MITSUBISHI HC CAPITAL

The three major strategies toward achieving our materiality, "Promote a Decarbonized Society," are ❶ reduction of the Group's GHG emissions, ❷ reduction of emissions in the Group's leasing, installment sales, rental, and investment and lending portfolios, and ❸ governance and risk management. These three strategies will form the core of the Group's Transition Plan, and through them we will aim to realize a carbon-neutral society by the year 2050.

Achieving Our Materiality, "Promote a Decarbonized Society" (major strategies toward realizing a carbon-neutral society by 2050)

1 **Reduction of the Group's GHG Emissions** — Chapter 1

2 **Reduction of Emissions the Group's Leasing, Installment Sales, Rental, and Investment and Lending Portfolios** — Chapter 2

3 **Governance and Risk Management** — Chapter 3

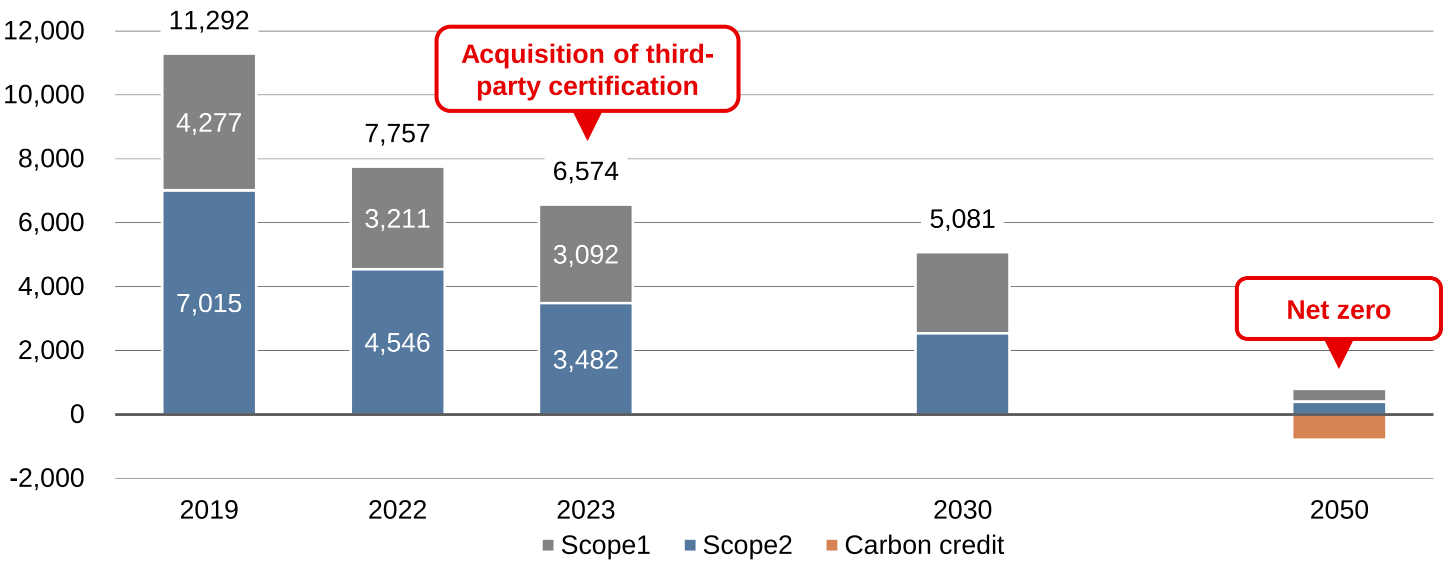
1.1 Reduction of the Group's GHG Emissions

MITSUBISHI HC CAPITAL

The Group's GHG emissions are mostly from electricity used at offices and fuel used for company vehicles. Since we began disclosing our Scope 1 and 2 emissions targets, we have steadily reduced GHG emissions by shifting all company vehicles in European Group companies to EVs and consolidating and abolishing offices in line with the business integration of the former Hitachi Capital and Mitsubishi UFJ Lease & Finance.

Going forward, we aim to achieve the targets by reducing GHG emissions in Japan and overseas through the promotion of energy conservation by using digital tools in business activities, the purchase of energy with additionality[1] and energy certificates, the achievement of carbon neutrality with company vehicles, etc.

Medium- to Long-term GHG Emissions Reduction Target (unit)	**2030: -55% compared to FY2019 2050: Net zero**					
Scope 1 and 2 GHG Emissions of the Group on a Consolidated Basis[2] ($t\text{-}CO_2e$)	**FY2019 (base year) Result**	**FY2023 Result**	**FY2024 Target[3]**	**FY2025 Target**	**FY2030 Target**	**FY2050 Target**
	11,292	6,574	8,469	7,904	5,081	Net zero



Efforts toward	
Efforts toward Reducing Scope 1 Emissions	■ Promotion of energy conservation by using digital tools in business activities. ■ Shift to low-emission company vehicles such as EVs and FCVs, which are compliant with each country's regulations for phasing out gasoline vehicles. ■ Consideration of moving into all-electric buildings, which use electricity for all heat sources for water heating, air conditioning, etc., and buildings that aim to achieve net-zero annual consumption of primary energy sources (ZEBs) while realizing a comfortable indoor environment.
Efforts toward Reducing Scope 2 Emissions	■ Enhancement of the shift to renewable energy-based electricity done by owners of the buildings we reside and other parties and the purchase of renewable energy-based electricity with additionality. ■ Promotion of energy conservation and the switch to renewable energy-based electricity through the purchase of certificates.
Efforts toward Achieving Net Zero	■ Regarding the reduction of the Group's GHG emissions, aim to achieve net zero without using carbon credit (emissions rights) schemes, in principle. ■ If there are residual emissions even after making the maximum effort to reduce emissions, consider purchasing carbon credits to offset them as a final means.

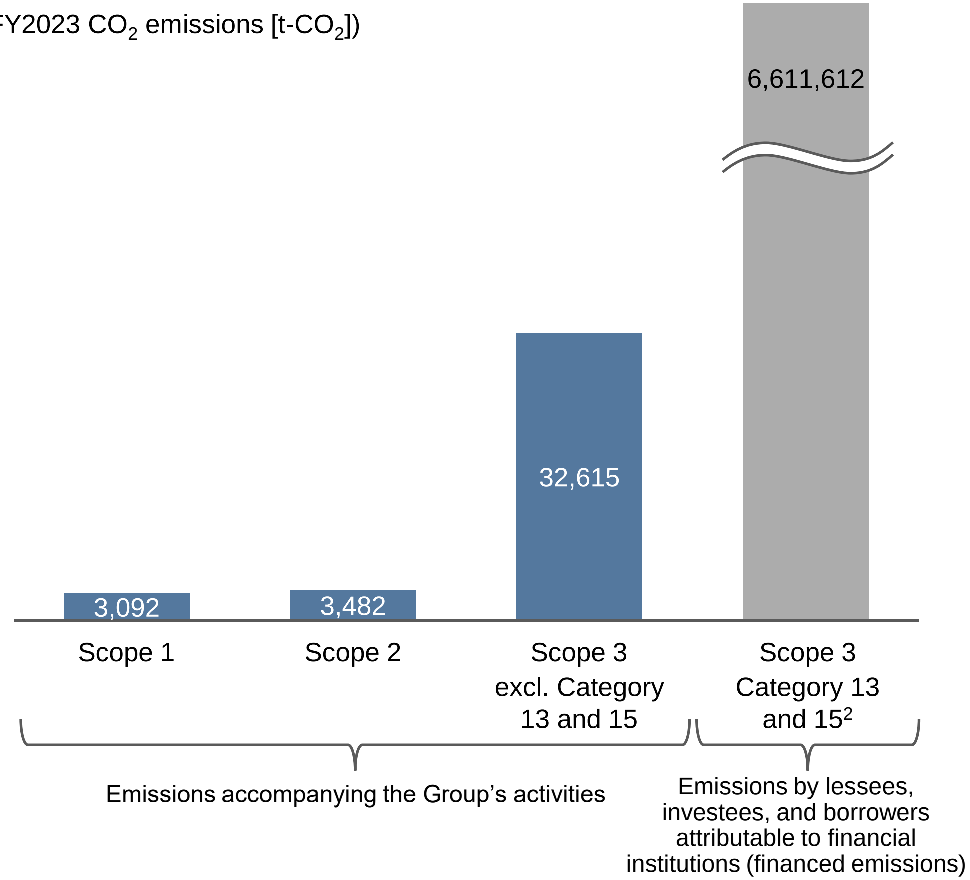
(Notes) 1. Energy with additionality means energy that has the positive effect of introducing new natural energy derived from solar power, wind power, etc.
2. Scope 2 emissions accounted for on a market basis 3. Result being calculated

2.1 Overall Image of the Group's Scope 1-3 Emissions

MITSUBISHI HC CAPITAL

The majority of the Group's GHG emissions are Scope 3, Category 13 (lease assets, downstream) and Category 15 (investments) emissions, which are defined in the GHG Protocol.[1] These are GHG emissions mainly by the Group's lessees, investees, and borrowers. We believe that toward the realization of a carbon-neutral society in the year 2050, it is important to visualize these emissions, sufficiently understand our customers' business environments, and then undertake the replacement of the assets that are the sources of the emissions with sustainable and resilient assets, and reduce GHG emissions as a result.

(FY2023 CO_2 emissions [t-CO_2])



Type	Scope 1	Scope 2	Scope 3, excl. Category 13 and 15	Scope 3, Category 13 and 15
Main Emissions	■ Emissions from the use of company vehicles ■ Emissions from the use of air conditioning, steam, and cold water	■ Emissions from electricity usage at offices	■ Emissions from purchased products and services, business trips, employees' commuting, etc.	■ Emissions by customers from the use of leased assets ■ Emissions by investees and borrowers
FY2030 Target	-55% compared to FY2019		Specific target setting method to be considered at a later date	Set interim targets for each major asset and business
FY2050 Target	Net zero			Net zero
Major Initiatives	• Promotion of the introduction of low-emission company vehicles such as EVs and FCVs • Promotion of the shift to electric for hot water supplies, air conditioning, etc. (consider occupying all-electric buildings and ZEBs)	• Promotion of energy conservation and shift to renewable energy	• Refinement of emissions accounting by calculating actual results, instead of estimates, and consideration of measures to reduce emissions	• Through dialogues with customers, support for the shift to assets with even less emissions

(Notes) 1. Global standards for the accounting for and reporting of GHG emissions
2. Measures some Category 13 and 15 transactions, including aircraft leases and real estate investments

For details on environmental data, refer to the ESG Data Book

2.2 Major Initiatives for Lease, Installment Sales, Rental, and Investment and Lending Portfolio Emissions Reductions

MITSUBISHI HC CAPITAL

The Group's major initiatives for promoting the replacement of assets in our lease, installment sales, rental, and investment and lending portfolio (hereinafter "portfolio") that are the cause of emissions with sustainable and resilient assets are as below. The portfolio emissions are from the Group's main business transactions and include those from Category 13 (lease assets, downstream) and Category 15 (investments) emissions.

1 Formulation of a Group-wide Sustainability Promotion Policy

- Guidelines for Transactions with a Potential Negative Impact on the Environment and Society and related procedures
- Processes to identify, assess, and manage risks related to the environment and society and their impacts

» 2.3

2 Scenario Analysis

- Overview of scenario analysis
- Overview of scenario analysis results (energy, transportation, and materials, and buildings)

» 2.4

3 Setting Interim Targets for Major Assets and Businesses

- Setting interim targets for each asset and business and defining an approach to those targets
- Setting interim targets for each asset and business

» 2.5

4 Implementing Stakeholder Engagement

- A system for executing engagement mainly with Customer Solutions[1] customers
- Initiatives for engagement with governments, industry organizations, and local communities
- Participation in initiatives (by industry organizations that promote response to climate change, etc.)

» 2.6

5 Funding through Sustainable Finance

- Defining an approach to funding through sustainable finance
- Formulation of a sustainable financing framework

» 2.7

(Note) 1. The segment that mainly operates customer business, which provides financial solutions to corporations and government offices, and vendor business, which provides finance functions to support the sales by partner vendors (manufacturers, distributors, etc.), in Japan

2.3 Formulation of a Group-wide Sustainability Promotion Policy

MITSUBISHI HC CAPITAL

We aim to develop a process for the Group to identify, assess, and manage environmental and social risks or their impacts, and take responsible actions in business activities and throughout the entire value chain. This will not only help to control or avoid various negative impacts of environmental and social risks on existing risks such as credit risk, asset risk, and investment risk; it will also help us contribute to initiatives for achieving the sustainable development goals (SDGs) and the Paris Agreement requirements. Based on discussions on materiality, we have also set the Group-wide sustainability promotion policy, Guidelines for Initiatives Considering Negative Impacts on the Environment and Society, and related procedures in order to clarify the transaction policy for areas that are highly likely to have negative impacts on the environment and society. Individual transactions are considered, handled, and managed by sales organizations, Corporate Center departments, and management in line with this policy and related procedures.

Guidelines for Initiatives Considering Negative Impacts on the Environment and Society	
Area where Credit and Investment Transactions, etc. are Prohibited	■ New transactions with business partners whose largest sales by segment among their business portfolio come from coal mining (whether ordinary coal or raw material coal), petroleum or natural gas extraction, or the rights[1] ■ New transactions with business operators who are suspected of being engaged in human rights violations such as forced labor, human trafficking, and child labor in transactions related to the Group's transactions ■ New transactions related to the extraction of fossil fuels ■ New transactions related to new construction or renewal of thermal power generation facilities fueled by coal or petroleum
Area where Credit and Investment Transactions, etc. Must Be Carefully Considered	■ New transactions in the thermal power generation field[2] ■ New transactions related to development involving deforestation that may have a significant impact on the environment ■ New transactions related to palm oil production

The Process for Identifying, Assessing, and Managing Environmental and Social Risks or Their Impacts	
1 Due Diligence	Due diligence is conducted by sales organizations, which have direct contact with customers. They judge whether individual transactions subject to credit and investment transactions, etc. fall under the area where credit and investment transactions, etc. are prohibited and the area where credit and investment transactions, etc. must be carefully considered, based on available public information, information provided by customers, etc.
2 Dialogue (engagement)	If transactions fall under the area where credit and investment transactions, etc. must be carefully considered, additional due diligence using supplement materials, checklists, etc. of the Group-wide sustainability promotion policy is conducted. In addition, when necessary, discussions are held with departments managing environmental and social risks. Based on the results of additional due diligence and the content of discussions, sales organizations conduct engagement regarding initiatives considering negative impacts on the environment and society and assess the effectiveness of the initiatives.
3 Decision of the Response Policy	If it is difficult to judge whether a transaction should be allowed or not even after conducting engagement, the response policy for the transaction from the perspective of sustainability is discussed and decided at a meeting in which management participates.

(Notes) 1. Excluding business operators who disclose a GHG emissions reduction plan
2. As stated above, new transactions related to new construction and the renewal of thermal power generation facilities fueled by coal and petroleum are prohibited in principle. However, transactions that contribute to transition based on the Paris Agreement are not subject to this rule

2.4 Scenario Analysis (1/4) Scenario Analysis Overview

MITSUBISHI HC CAPITAL

We identify the risks and opportunities that future climate change will present to the Group's business and conduct scenario analyses of transition risk[1] and physical risk[2] for the purposes of appropriate information disclosure and considerations for future initiatives.

The scenario analyses are based on limited information and data that were available at the time. By carefully interpreting the results of these analyses, obtaining even more information and relevant data through dialogues with our stakeholders, improving our analysis methods, and expanding the range of businesses subject to analysis, we will work to implement appropriate disclosure.

Overview of Transition Risk Analysis

Target Sectors and Major Segments	**Target Sectors (business types)**	**Major Segments**
	Energy (oil, gas, coal, electricity companies)	Environment & Energy
	Transportation (air freight transportation, air passenger transportation)	Aviation
	Materials, buildings (real estate management, development)	Real Estate
	Among the Group's segments, Customer Solutions is included in the segments for analysis as its business is operated domestically and it conducts business activities across segments with other relevant sectors, such as finance solutions for corporations and government offices, sales finance in cooperation with vendors, real estate leasing, and financial services. Conversely, Global Customer Business has been excluded from analysis as it boasts numerous Group companies whose businesses are based in Europe, the Americas, etc. and the work required for analysis would be too great.	
Method for Selecting Sectors and Segments	① Review the relationship between sectors with latent possibility to be greatly affected by climate change and the Group's segments by referring to information in the final report from the Task Force on Climate-related Financial Disclosures (TCFD), etc. ② Comprehensively considering the asset balance, business characteristics, the scale of GHG emissions, etc. of the Group's segments for each sector, select the sectors subject to scenario analysis and the segments subject to analysis in consideration of external expert opinions.	
Scenario	Net Zero Emissions by 2050 Scenario (NZE Scenario, hereinafter "1.5℃ Scenario") and Stated Policies Scenario (hereinafter "STEPS") announced by the International Energy Agency (IEA).	
Reason for Selection as Scenario	Because predictions for the energy market over the medium to long term and related policy trends as well as industry trends in the Group's major segments are contained in the IEA's released materials.	
Analysis Method	Identified opportunities and risks of the transition to a decarbonized society in relevant sectors and assessed their impacts on business (qualitative analysis).	

Overview of Physical Risk Analysis

Subject to Analysis	Environment & Energy Business Division, Real Estate Business Division, and assets used in business that are held by the Group's offices and branches. Aircraft are excluded as they are movable assets and it would be difficult to investigate impacts by region.
Scenario	Shared Socio-economic Pathways (SSPs 5-8.5, hereinafter "4℃ Scenario") announced by the Intergovernmental Panel on Climate Change (IPCC).
Reason for Selection as Scenario	Because there is a wealth of written information regarding various changes in the natural environment, such as temperatures, precipitation/snowfall, dryness, and rising sea levels.
Analysis Method	Evaluate the impact on our businesses of unusual weather and changes in weather conditions that may occur in areas where the Group has assets that are being used in business (qualitative analysis).

(Notes) 1. Transition risk refers to risk associated with the tightening of climate-related regulations or the transition to decarbonization technologies
2. Physical risk refers to the risk of physical damage attributed to an increase in natural hazards or unusual weather caused by climate change

2.4 Scenario Analysis (2/4) Overview of Scenario Analysis Results (Energy)

Discussions were held with each division in charge of Environment & Energy and Customer Solutions, which are the segments subject to scenario analysis in the energy sector, and the Risk Management Department, which is the department in charge of risk management for the entire Group, regarding the impacts of climate change on the Group's business. The results of this scenario analysis have been reflected in the formulation of each division's strategies.

The results of the scenario analysis show that on a short- to long-term timeframe, there are risks related to increased repair costs due to damage to power generation plants such as that caused by storms, decreased income from electricity sales due to the reduced power generation efficiency of power generation facilities such as solar panels, and expanded opportunities for the renewable energy business. Also, as we can foresee increased revenue opportunities with the increased demand for renewable energy, we have set power generation capacity in operation corresponding to the Group's stake in Japan as a metric, and approx. 2.3GW as our target for FY2030. Towards achieving this, we are anticipating an investment plan of approx. 350.0 billion yen in capital expenditure (the amount of new investment in the renewable energy business) from FY2024 until FY2030. The annual operating expenditure (SG&A expenses, including expenses for environmental measures, such as measures for soil pollution) associated with this new investment is estimated to be approx. 7.0 billion yen in 2030.

Looking ahead, we will leverage our strengths as a top renewable energy business operator in Japan, and with the further acceleration and expansion of the renewable energy business and next generation energy business globally, we will contribute to strengthening environment and energy businesses as well as the realization of a decarbonized society.

Type	Trends in Society		Overview of Major Risks/Opportunities	Risk/ Oppor- tunity	Financial Impact[1]		Measures and Assessments
	Category	Overview			Timeframe[2]	Overview	
Physical Risk (4℃ Scenario)	**Acute**	**Increased natural disasters such as typhoons and floods**	Damage to power generation plants due to storms	Risk	Short to long term	Increased repair costs	Strengthen resilience by taking measures to deal with natural disasters (detail judgments on risks related to investment and lending, consider measures for enabling early recovery by strengthening the Group's power generation plants, etc.)
	Chronic	**Rising average temperatures**	Reduced efficiency of power generation using solar panels and other equipment	Risk	Short to long term	Decreased income from electricity sales	
		Changes in wind conditions	Fluctuations in wind power generation output	Risk	Short to long term	Decreased income from electricity sales	
Transition Risk (1.5℃ Scenario)	**Market**	**Increased share of renewable energy in supplied power**	Intensified competition in the renewable energy market	Risk	Short to long term	Decline in the electricity sales price	Consider securing earnings by entering into the storage battery business, etc. while paying attention to the regulatory environment, etc.
			Expansion of the renewable energy market	Oppor- tunity	Short to long term	Expansion of revenue opportunities associated with increased demand for renewable energy	Expand renewable energy generation business in Japan and overseas
					Short to long term	Expansion of opportunities for renewable energy businesses	Expand storage battery and aggregation businesses

Status of Reflection in Business Strategy

1 Set power generation capacity in operation corresponding to the Group's stake in Japan as a metric

2 Participate in investment in companies operating renewable and next generation energy business

3 Initiatives in the renewable energy aggregation business through our domestic subsidiary HSE Ltd.

(Notes) 1. Financial impacts are the risks and opportunities without implementing measures
2. Short term: until 2025, medium term: until 2030, long term: until 2050

2.4 Scenario Analysis (3/4) Overview of Scenario Analysis Results (Transportation)

MITSUBISHI HC CAPITAL

Discussions were held with each division in charge of Aviation and Customer Solutions, which are the segments subject to scenario analysis in the transportation sector, and with the Risk Management Department, which is the department in charge of risk management for the entire Group, regarding the impacts of climate change on the Group's business. The results of this scenario analysis have been reflected in the formulation of each division's strategies.

The results of the transition risk (1.5℃ Scenario) analysis show that on a short- to long-term timeframe, risks and opportunities have been recognized, such as the risk of depreciation in the residual value of existing aircraft and aircraft engines due to the shortening of their economic useful life, the accelerating shift to new generation aircraft,[1] an increase of SAF usage, and the future development of aircraft engines powered by hydrogen fuel or electricity. As the fuel efficiency of new generation aircraft is expected to be 15-20% higher than the current generation, we have set a target of 83% for the percentage of new generation aircraft in our portfolio[2] by FY2030, and are anticipating an investment plan of approx. 2.0 trillion yen[3] in capital expenditure (new transactions volume of new generation aircraft) from FY2024 until FY2030 toward achieving that target, aiming to reduce identified risks, capture opportunities, and transform our portfolio for the realization of a carbon-neutral society.

Looking ahead in anticipation of the transition to low-carbon fuels such as SAF and hydrogen, we are considering refining our indicators, for example by setting reductions targets for GHG emissions that are scientifically based, and through cooperation with our stakeholders, we will further contribute to the decarbonization of the transportation sector.

Type	Trends in Society: Category	Trends in Society: Overview	Overview of Major Risks/Opportunities	Risk/ Opportunity	Financial Impact[4]: Timeframe[5]	Financial Impact[4]: Overview	Measures and Assessments	Status of Reflection in Business Strategy
Transition Risk (1.5℃ Scenario)	**Technology**	**The development and introduction of fuel-efficient aircraft and engines have progressed**	Increased demand for replacement with fuel-efficient aircraft and engines	Risk	Short to long term	Increased depreciation expenses and residual value risk of existing assets such as aircraft and aircraft engines	Mitigate impacts and capture leasing opportunities by increasing the percentage of new generation aircraft and aircraft engines in our portfolio	1 Set the percentage of new generation aircraft in our portfolio as an indicator
	Market	**The development and introduction of fuel-efficient aircraft and engines have progressed**	Increased demand for replacement with fuel-efficient aircraft and engines	Opportunity	Short to long term	Increase in leasing opportunities for new generation aircraft associated with aviation companies' demand for switching aircraft and aircraft engines		
		The decarbonization of airport facilities has progressed	Replacement with renewable energy and energy conserving facilities	Opportunity	Short to long term	Increase in leasing opportunities for renewable energy and energy conserving facilities associated with demand for switching airport facilities, etc.	Introduce renewable energy such as solar power generation, shift airport vehicles to EVs/FCVs, improve the energy efficiency of airport buildings	2 Promote the development and provision of new products that contribute to solving social issues, such as GX Assessment Lease
		The development of next generation aircraft has progressed	Partial replacement with hydrogen/electric engines and hydrogen/electric-compatible aircraft	Opportunity	Long term	Increased leasing opportunities associated with the spread of hydrogen/electric-compatible aircraft	Capture demand by increasing the transaction volume of hydrogen/electric-compatible aircraft	
			Increased SAF/hydrogen-related business opportunities and demand	Opportunity	Long term	Possibilities of gaining earnings from new SAF/hydrogen-related businesses	Participate in and support the hydrogen value chain including storage, transportation, production, and filling facilities, and clean energy supply, and consider initiatives for SAF-related businesses	3 Investment into SAF-optimized funds that expand the production of next generation aircraft fuels

(Notes) 1. Fuel-efficient aircraft that emit less CO_2 compared with the current generation. Models: A220, A320NEO, A321NEO, A330NEO, A350, B737MAX, B787
2. Targets and results are both calculated based on net book value (JSA business)
3. End of March 2025: US$1 = JPY149.52
4. Financial impacts are the risks and opportunities without implementing measures
5. Short term: until 2025, medium term: until 2030, long term: until 2050

Click here for details on GX Assessment Lease

2.4 Scenario Analysis (4/4) Overview of Scenario Analysis Results (Materials and Buildings)

MITSUBISHI HC CAPITAL

Discussions were held with each division in charge of Real Estate and Customer Solutions, which are the segments subject to scenario analysis in the materials and buildings sectors, and with the Risk Management Department, which is the department in charge of risk management for the entire Group, regarding the impacts of climate change on the Group's business. The results of this scenario analysis have been reflected in the formulation of each division's strategies.

The results of the scenario analysis show that on a short- to long-term timeframe, there are risks related to increased costs of renovating/repairing existing buildings and properties in development, increased development costs, and the expansion of opportunities for low-carbon building leasing and the investment and financing businesses. Because properties that have acquired DBJ Green Building Certification (low-carbon properties) are expected to have higher competitiveness when compared to properties without DBJ Green Building Certification, we have set the percentage of green buildings in our portfolio[1] as a metric, and 64% as our target for FY2030, aiming to reduce identified risks, capture opportunities, and transform our portfolio for the realization of a carbon neutral society. Towards achieving this, we are anticipating an investment plan of approx. 50.0 billion yen in capital expenditure (new investments in green buildings) from FY2024 until FY2030.

Looking ahead, with the tightening of laws and regulations, we are considering refining our metrics, such as by setting reduction targets for emissions intensity (kg-CO_2e/m^2, etc.), and through cooperation with our stakeholders, we will further contribute to the decarbonization of the materials and buildings sectors.

Type	Trends in Society: Category	Trends in Society: Overview	Overview of Major Risks/Opportunities	Risk/ Opportunity	Financial Impact[2]: Timeframe[3]	Financial Impact[2]: Overview	Measures and Assessments	Status of Reflection in Business Strategy
Physical Risk (4℃ Scenario)	**Acute**	**Increased natural disasters such as typhoons and floods**	Flooding damage to properties in development	Risk	Short to long term	Increased repair costs	Strengthen resilience by taking measures to deal with natural disasters (detail judgments on risks related to investment and lending, install or renovate disaster management equipment, etc.)	1 Set the percentage of green buildings in our portfolio as a metric
	Chronic	**Rising average temperatures**	Prolonged construction periods for properties in development	Risk	Short to long term	Increased development costs		
Transition Risk (1.5℃ Scenario)	**Market**	**Increased demand for low-carbon buildings with changes in customer behavior, etc.**	Increased opportunities and demand in the low-carbon buildings business	Risk	Short to long term	Increased costs of renovating/repairing existing buildings and development	Consider mitigating impacts by passing the cost onto rent	
					Short to long term	Possibilities of price decline of non-low-carbon properties owned by the Group	Reduce carbon emissions from maintenance and renovation processes (renew equipment of aged properties (including logistics warehouses), install power generation equipment such as solar panels, etc.)	2 Promote the development and provision of new products, such as GX Assessment Lease, that contribute to solving social issues
					Short to long term	Risk of losing earnings due to delayed response to the demand for low-carbon buildings	Mitigate impacts and capture opportunities for leasing, investment, and lending by increasing the percentage of green buildings in our portfolio	3 Made CPD a wholly-owned subsidiary in order to enhance and expand logistics facility-related business Promote self-led development at Group companies
	Products and Services			Opportunity	Short to long term	Expansion of opportunities for low-carbon building leasing and investment and lending businesses		
					Short to long term	Increase in prices and unit rent prices of owned or managed low-carbon buildings	Introduce and enhance development functions to respond to a low carbon society	

(Notes) 1. In the real estate business, the share (number of buildings) of environmentally certified properties (CASBEE, DBJ Green Building, BELS, etc.) or buildings using 100% renewable energy among assets over which the Group has some degree of control (Mitsubishi HC Capital Realty's investment properties) and assets under management by the Group's asset management companies with MHC acting as a sponsor (MRA's private REITs + CPD's private placement funds)
2. Financial impacts are the risks and opportunities without implementing measures 3. Short term: until 2025, medium term: until 2030, long term: until 2050

Click here for details on GX Assessment Lease

2.5 Interim Target Setting for Major Assets and Businesses

MITSUBISHI HC CAPITAL

To reduce our portfolio's emissions, in line with our approach to the interim target setting for each asset and business and related initiatives, we have set targets for our portfolio's major assets and businesses in each segment.

Our Approach to the Interim Target Setting for Each Asset and Business and Related Initiatives

Target Setting Prioritizing Assets and Businesses that Emit a Large Amount of GHG	We have summarized the relationships between the sectors that have the potential to be significantly affected by climate change and the segments of the Group by referring to the Final Report of the Task Force on Climate-related Financial Disclosures (TCFD) and other information, and selected assets and businesses for which interim targets should be set by comprehensively considering factors such as the asset balance, business characteristics, and amount of GHG emissions of the Group's segments by sector as well as external professionals' opinions
Consistency with Scientific Basis and Each Country's Policies	For assets for which metrics by international institutions, targets by each country's government, etc. have been announced toward the realization of a carbon neutral society, in reference to those metrics and targets, we have confirmed that the standards for achieving our interim targets are partially in line with the Paris Agreement. Regarding other assets, we have set ambitious levels for our interim target achievement standards. Further, we have obtained third-party opinions from external assessment institutions regarding our Transition Plan, including standards for achieving our interim targets.
Fair, Sustainable Transition	Paths and processes toward the realization of a carbon neutral society differ by country, region, and industry, and the selection of lease properties, etc. is performed independently by customers. So, in our efforts to solve environmental issues such as climate change and biodiversity, we will consider the guidelines released by countries and international institutions, the characteristics of business in each region, and the status of our customers' target setting, etc. and carefully engage in dialogues with our stakeholders, including local residents, as necessary to gain their understanding.

Interim Target Setting for Each Asset and Business

Asset/Business for Target Setting	Metric	FY2023 Result	FY2030 Target	Notes
Aircraft	Percentage of new generation aircraft in our portfolio[1]	72%	83%	
Real Estate (offices, hotels, etc.)	Percentage of green buildings in our portfolio[2]	38%	64%	
Decarbonization-related Assets	Total new transactions volume of leasing of decarbonization-related assets[3]	-	JPY102.0Bn	
Domestic Renewable Energy Generation Business	Power generation capacity in operation corresponding to the Group's stake	1.10GW	Approx. 2.3GW	Power generation capacity corresponding to the Group's stake in the domestic renewable energy business.

(Notes) 1. Fuel-efficient aircraft that emit less CO_2 compared with the current generation. Models: A220, A320NEO, A321NEO, A330NEO, A350, B737MAX, B787. Targets and results are both calculated based on net book value (JSA business)
2. In the real estate business, the share (number of buildings) of environmentally certified properties (CASBEE, DBJ Green Building, BELS, etc.) or buildings using 100% renewable energy among assets over which the Group has some degree of control (Mitsubishi HC Capital Realty's investment properties) and assets under management by the Group's asset management companies with MHC acting as a sponsor (MRA's private REITs + CPD's private placement funds)
3. Total transactions volume of leasing mainly of the following equipment (GX Assessment Lease) for FY2024 and beyond:
① Equipment for which CO_2 reduction effects generally required in green finance can be expected, ② energy-environment friendly products, ③ machinery for the ESG lease promotion business

2.6 Implementing Stakeholder Engagement

MITSUBISHI HC CAPITAL

The Group places great importance on stakeholder engagement as an initiative toward the realization of a carbon neutral society. We are engaged in relationship-building with a wide variety of stakeholders, such as by building systems for collaborations with customers, cooperating with the government and industry organizations, strengthening our relationships with local communities, and proactively participating in initiatives.

System for Engagement Mainly with Customer Solutions[1] Customers

All business divisions

Business Promotion & Strategic Planning Division

Closely shares information and knowledge while collaborating and cooperating with the decarbonization project team, business divisions and Group companies, and external partners, and promotes engagement with customers mainly at each business division

Decarbonization Project Team	Business Divisions and Group Companies	External Partners
Works together with the decarbonization project team, originated as an initiative toward key themes across organizations, to expand the functions that the Group provides	Provides functions related to renewable energy sources such as PPAs for roof-mounted solar power generation systems and self-consignment as well as non-fossil certificates, EVs, etc.	Provides solutions through cooperation with external partners such as electricity retailers, startup companies, etc.

Examples of Initiatives for Engagement with the Government, Industry Organizations, and Local Communities

Government	MHC participates in the GX League administered by METI, and independently exchanges opinions, for example by participating in the GX Management Promotion Working Group and the GX Human Resources Market Creation Working Group, originated at the Platform for Market Creation and Rulemaking.
Industry Organizations	The Japan Leasing Association, of which MHC is a member, has announced Guidance Relating to Supply Chain Emissions Accounting at Leasing Companies. MHC belongs to the Japan Leasing Association's Public Relations Investigative Committee and its Sustainability Investigative Research Working Group, established within the committee, and independently participated in the formulation of their policies.
Local Communities	HSE Ltd. and Fuso Wind Power Generation, Ltd. held a wind power learning session for nearby residents of the Toyoura Wind Power Generation Plant in Shimonoseki, Yamaguchi Prefecture and local elementary school students. The event, which was designed to promote local residents' understanding of wind power generation and contribute to the region, was attended by 36 people for its study session on the first day and 61 people for its tour of the wind farm on the second day.

Participation in Initiatives (Industry Organzations Promoting Response to Climate Change)

MHC endorses and participates in the organizations to the right and is engaged in activities such as collecting information and exchanging opinions with other companies that participate in each organization. MHC appropriately reflects the information gained from these initiatives in its management strategies by incorporating it into its business strategies and making considerations regarding future actions, etc.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

WE SUPPORT UN GLOBAL COMPACT

PFA21 Principles for Financial Action for the 21st Century

GX League

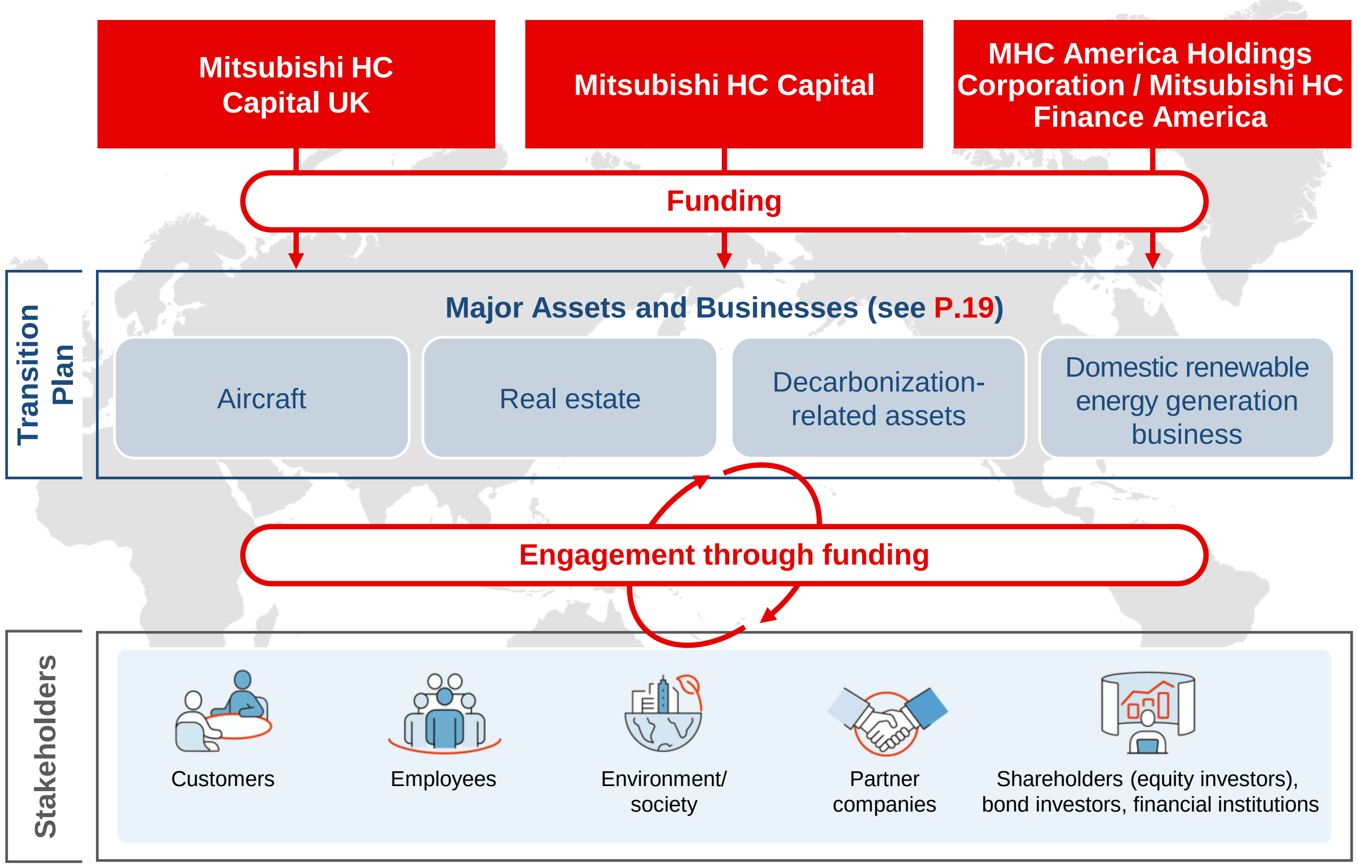
(Note) 1. The segment that mainly operates customer business, which provides financial solutions to corporations and government offices, and vendor business, which provides finance functions to support sales at partner vendors (manufacturers, distributors, etc.), in Japan

2.7 Funding through Sustainable Finance

MITSUBISHI HC CAPITAL

Concept of Funding through Sustainable Finance

- The Group will support major assets and businesses aimed for achieving the Transition Plan through funding with sustainable finance centered on Japan, the Americas, and Europe. With funding through sustainable finance, we will actively disclose and disseminate our initiatives on sustainability.



Formulation of the Sustainable Finance Framework

- MHC formulated the sustainable finance framework in December 2024. By actively using this framework, we will actively raise funds through sustainable finance.
- We are also considering revising the content of the framework based on the Transition Plan.

Title	Sustainable Finance Framework
Formulation Date	December 2024
Available Sustainable Finance	• Green bond/loan • Social bond/loan • Sustainable bond/loan • Sustainability-linked bond/loan
Conformity Assessment of the Framework	Obtained a second party opinion from DNV Business Assurance Japan K.K.

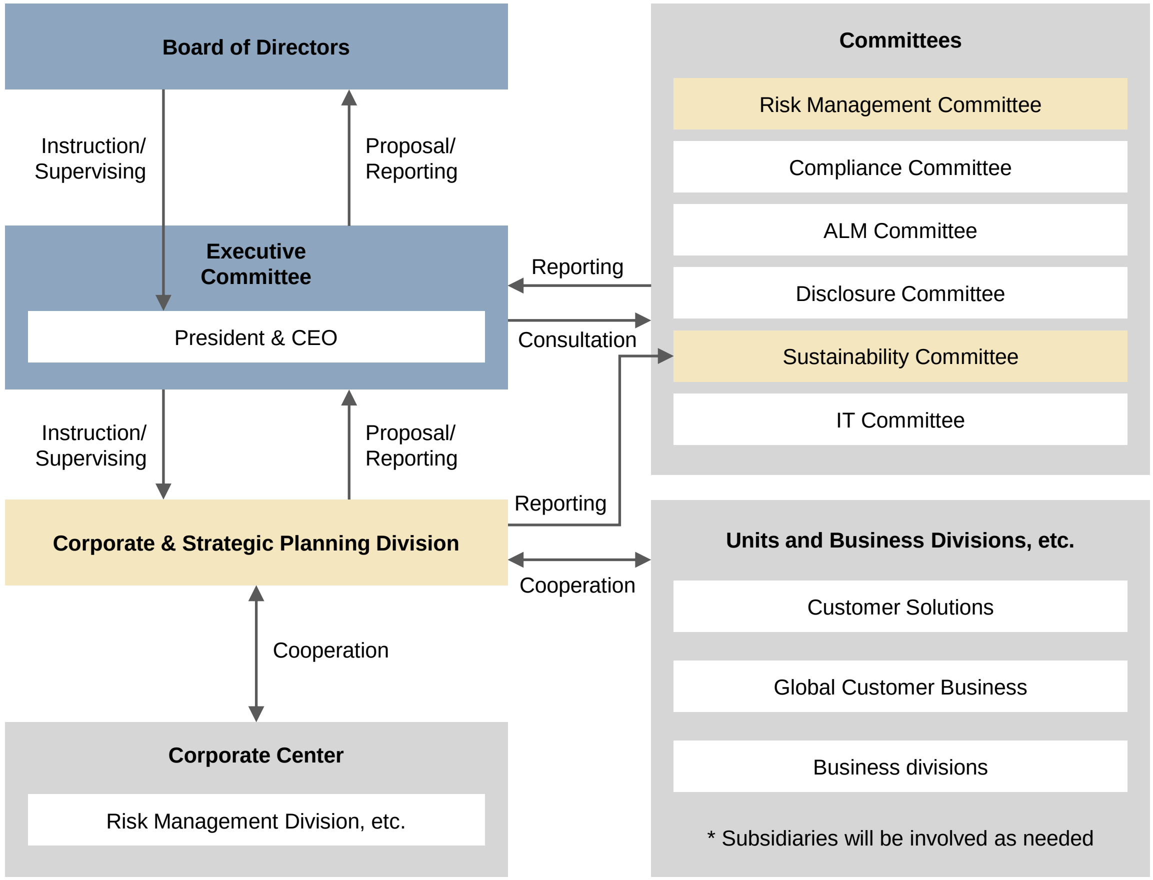
3.1 Sustainability Promotion Framework

MITSUBISHI HC CAPITAL

MHC has established the Sustainability Committee as one of the advisory bodies to the Executive Committee to contribute to a sustainable and prosperous future. This committee deliberates on key challenges related to sustainability including the climate change issue and reports the results to the Executive Committee and the Board of Directors.

“Promote a Decarbonized Society” and other materiality were identified through deliberations at the Sustainability Committee and the Executive Committee and by resolution of the Board of Directors, and the Board of Directors has confirmed interim targets (metrics) for major assets and businesses and their progress, which are shown on the next page.

The Mitsubishi HC Capital Group's Sustainability Promotion Framework



Organizational Entities and Roles in the Sustainability Promotion Framework

Organizational Entities	Roles
Board of Directors	The Board of Directors identifies the Group’s basic policies including materiality and periodically confirms the status of business managed and executed based on these basic policies.
Executive Committee	The Executive Committee resolves Group-wide measures that relate to management, including response policies, action plans, and the progress of metrics for the Group’s materiality and environmental issues. Important matters are reported to the Board of Directors.
Risk Management Committee	The committee manages risks related to overall management in comprehensive and systematic ways. The overall impact on climate change risks, human rights risks, and other major risks is reported to the Executive Committee. The Risk Management Committee is chaired by the Head of the Risk Management Division, and its members comprise the President & CEO, Deputy Presidents, Head of the Corporate & Strategic Planning Division, Head of the Treasury & Accounting Division, Head of the Credit Division, Head of the IT & Operations Division, and officers in charge of auditing. In principle, the committee meets twice a year.
Sustainability Committee	The committee formulates long-term plans related to the Group’s sustainability promotion, including materiality and environmental issues, as well as goals and plans for non-financial metrics. The committee also monitors the progress of metrics set by each business division and reports important matters to the Executive Committee. The Sustainability Committee is chaired by the Head of the Corporate & Strategic Planning Division, and its members comprise the President & CEO, Deputy Presidents, Head of the Treasury & Accounting Division, Head of the Human Resources Division, Head of the Risk Management Division, Head of the Credit Division, and Head of the IT & Operations Division. In principle, the committee meets twice a year.
Corporate & Strategic Planning Division	The division is in charge of drafting and driving the execution of plans for Group-wide strategies based on the Group's basic sustainability policy. It gathers knowledge related to the Group’s sustainability from Japan and overseas, drafts policies and strategies, and reports those matters to the Sustainability Committee.

3.2 Metrics and Targets

MITSUBISHI HC CAPITAL

At the Group, the Board of Directors supervises the progress of achieving interim targets (metrics) for major assets and businesses, which were set when formulating the Transition Plan, in addition to financial targets and environmental targets for reducing the Group's GHG emissions (the Scope 1 and 2 GHG emissions of the Group on a consolidated basis). These targets have been set by planning backwards from our future targets, which was defined based on the government's policy targets, Our 10-year Vision, etc. Going forward, we will enhance our governance toward the realization of a carbon neutral society, such as by considering a system to link the progress of achieving environmental targets with officers' remuneration when formulating the next Medium-term Management Plan.

KPI/Metric		FY2031 Target	FY2030 Target	FY2025 Target	FY2023 Result	FY2022 Result
Financial Targets (KPIs)	**ROA**[1]			Approx. 1.5%	1.1%	1.1%
	ROE[1]			Approx. 10.0%	7.7%	8.2%
	Net Income[1]			JPY160.0Bn	JPY123.8Bn	JPY116.2Bn
Environ-mental Targets (Metrics)	**The Group's Consolidated Scope 1 and 2 (market basis) GHG Emissions**	4,827t-CO_2e	5,081t-CO_2e	7,904t-CO_2e	6,574t-CO_2e	7,757t-CO_2e
	Percentage of New Generation Aircraft in Our Portfolio[2]	83%		78%	72%	66%
	Percentage of Green Buildings in Our Portfolio[3]	66%	64%	47%	38%	-
	Total New Transactions Volume of Leasing of Decarbonization-related Assets[4]	JPY121.8Bn	JPY102.0Bn	JPY23.0Bn	-	-
	Power Generation Capacity in Operation Corresponding to the Group's Stake[5]	Approx. 2.5GW	Approx. 2.3GW	Approx. 1.4GW	1.10GW	1.18GW

(Notes) 1. ROA and ROE are based on net income. Targets for FY2030 and FY2031 are not disclosed
2. Fuel-efficient aircraft that emit less CO_2 compared with the current generation. Models: A220, A320NEO, A321NEO, A330NEO, A350, B737MAX, B787. Targets and results are both calculated based on net book value (JSA business)
3. In the real estate business, the share (number of buildings) of environmentally certified properties (CASBEE, DBJ Green Building, BELS, etc.) or buildings using 100% renewable energy among assets over which the Group has some degree of control (Mitsubishi HC Capital Realty's investment properties) and assets under management by the Group's asset management companies with MHC acting as a sponsor (MRA's private REITs + CPD's private placement funds)
4. Total transactions volume of leasing mainly of the following equipment (GX Assessment Lease) for FY2024 and beyond:
   - Equipment for which CO_2 reduction effects generally required in green finance can be expected
   - Energy-environment friendly products
   - Machinery for the ESG lease promotion business
5. Power generation capacity corresponding to the Group's stake in the domestic renewable energy business

3.3 Fostering Culture

MITSUBISHI HC CAPITAL

In line with our Social Contribution Activity Policy, we place focus on the environment, human development, welfare and health, safety and security, and regional contribution, and we continuously conduct activities that allow us as a corporate citizen to contribute to the local community in regions worldwide, such as charity and volunteer work.

We continue to integrate social contribution activities with the development of a corporate culture. By conducting social contribution activities that offer opportunities to directly face and learn about social issues, etc., we help transform our employees' awareness regarding sustainability, including decarbonization, and foster a corporate culture.

Social Contribution Activity Policy	Mitsubishi HC Capital will continuously contribute to solving social issues through social contribution activities based on its basic business policies, with a focus on "Environment", "Human Development", "Welfare and Health", "Safety and Security", and "Regional Contribution."

Major Social Contribution Programs (Japan)

#	Title	Date	Location	Description	Effects, Achievements, etc.	Relevant SDGs
1	**LTA (Learn, Think, Action) Project**	Before relevant activities	Online	■ A project combining lectures and actual activities in which participants learn, think, and act ■ Lectures regarding relevant activities are given in advance	• Develop employees' awareness regarding social issues • Change employees' behavior in business and daily lives	* Depending on the theme
2	**The Forest of Mitsubishi HC Capital Group**	Mid-October	Hachioji City, Tokyo	■ Replace existing trees that produce a lot of pollen with tree species that produce less pollen (planting and cultivation of trees)	• Develop employees' awareness regarding environment conservation • Contribute to preventing global warming (carbon absorption amount: 221.13t-CO_2) • Pass on healthy forests to the next generation • Certified under the Tokyo Forestation Contribution Certification System	3, 9, 13, 15, 17
3	**FIT for Charity Run**	Mid-December	Japan National Stadium, etc.	■ Participate in this charity run event hosted by the financial industry ■ Donate the participation fees to charitable organizations	• Contribute to solving wide-ranging social issues by providing support to charitable organizations • Develop a sense of unity and improve engagement	* Depending on the recipient of support
4	**Volunteer Snow Removal**	Late January through early February	Obanazawa City, Yamagata	■ Volunteer snow removal activity mainly for the homes of seniors living alone in a legally designated special heavy snow area	• Understand and directly contribute to local social issues • Dialogue with stakeholders (local communities)	11, 17
5	**Artbility**	• Internal voting: July • Ceremony: December	-	■ Promote the social participation by artists with disabilities through sponsorships and the usage of their artworks (The Mitsubishi HC Capital Special Award is determined by employees)	• Develop a corporate culture that respects diversity and inclusion • External public relations through the use of the artists' artworks in publications by MHC	3, 8, 16
6	**Internal Sales Event of Fair Trade Products**	June	Marunouchi Office Nishi Shimbashi Office	■ Internal fair trade products sales event	• Support for vulnerable producers and workers • Develop employees' awareness toward SDGs, human rights, and the environment	1, 2, 5, 8, 12, 13, 16, 17

3.4 Developing Human Resources

MITSUBISHI HC CAPITAL

In order to steadily achieve the Group's financial and environmental targets and to realize a carbon-neutral society, we believe it is necessary for the Group to come together as one to tackle climate change. Accordingly, we are promoting the implementation of the following initiatives, designed to improve, maintain, and continually develop the environmental and sustainability awareness, skills, competencies, and knowledge of all Group employees.

Training

- SX mindset training for officers
- Diversity management training for managers

Specialist Education

- System to support the acquisition of certifications[1]
- System to support specialist learning per department

Study Sessions

- Regular study sessions for sales representatives for the acquisition of foundational knowledge related to decarbonization

Internal Communications

Major themes of internal communications

- Sustainability promotion initiatives
- Human rights awareness
- Social contribution activities
- Environmental solutions

e-Learning

Major themes of e-Learning

- Overall sustainability
- Human rights awareness
- Diversity

Hands-on Learning

- Learn, Think, Action (LTA) project

(Note) 1. Also to be applied to sustainability-related certifications

Major Future Actions

MITSUBISHI HC CAPITAL

The three major strategies toward achieving our materiality, “Promote a Decarbonized Society,” are ❶ reduction of the Group’s GHG emissions, ❷ reduction of emissions in the Group’s leasing, installment sales, rental, and investment and lending portfolios, and ❸ governance and risk management. By continuing to strengthen these initiatives, we will aim to realize a carbon neutral society by the year 2050.

Achieving Our Materiality, “Promote a Decarbonized Society” (major future actions toward realizing a carbon-neutral society by 2050)

1

Reduction of the Group’s GHG Emissions

① Detail and implement a plan to introduce renewable energy to office buildings in order to achieve FY2030 interim targets

② Detail and implement a plan to introduce eco-friendly low-emission company vehicles such as EVs and FCVs

2

Reduction of Emissions in the Group’s Leasing, Installment Sales, Rental, and Investment and Lending Portfolios

① Expand the target range of Scope 3 GHG emissions accounting

② Refine the metrics for environmental targets and expand the metrics’ range through monitoring of the Transition Plan

③ Enhance stakeholder engagement

3

Governance and Risk Management

① Conduct quantitative scenario analysis regarding climate change risks and disclose the results

② Establish and reinforce internal control for GHG emissions accounting

③ Consider a system to reflect environmental metrics in the remuneration of officers

[Appendix]
A Transition Plan Based on the TPT Disclosure Framework

MITSUBISHI HC CAPITAL

In accordance with the TPT Disclosure Framework,[1] the Group has formulated its own Transition Plan. The content of this report is in conformity with the TPT Disclosure Framework as shown below.

Disclosure[2]		Recommended Disclosure Items[2]	Major Relevant Section
Foundations	**Strategic ambition**	• Disclosure of the Group's strategic ambition regarding its Transition Plan (incl. goals and priority items for contributing to the transition to reduced GHG emissions and a decarbonized economy)	2.5 Interim Target Setting for Major Assets and Businesses
	Business model and value chain	• Disclosure of an explanation of the current and future impacts of the Group's strategic ambition on its business model and value chain	2.4 Overview of Scenario Analyses and Scenario Analysis Results
	Key assumptions and external factors	• Disclosure of the key assumptions and dependent external factors that have been set in order to achieve the Group's strategic ambition regarding its Transition Plan	2.5 Interim Target Setting for Major Assets and Businesses
Implementation Strategy	**Business operations**	• Disclosure of information about initiatives over the short, medium, and long term in business operations in order to achieve the Group's strategic ambition	2.4 Overview of Scenario Analyses and Scenario Analysis Results
	Products and services	• Disclosure of information about initiatives over the short, medium, and long term to make changes to products and services in order to achieve the Group's strategic ambition	2.4 Overview of Scenario Analyses and Scenario Analysis Results
	Policies and conditions	• Disclosure of information about policies and conditions that are in use or planned to be used in order to achieve the Group's strategic ambition	2.3 Formulation of Group-wide Policies Regarding Sustainability Promotion
	Financial planning	• Disclosure of information about the financial impacts of financial plans on the Group's financial situation, business performance, and cash flow over the short, medium, and long term • Including financial plans regarding how to allocate resources to planned activities in order to achieve the Group's strategic ambition	2.4 Overview of Scenario Analyses and Scenario Analysis Results
Engagement Strategy	**Engagement with value chain**	• Disclosure of information about cooperative engagement activities with other companies in the Group's value chain in order to achieve the Group's strategic ambition	2.6 Implementing Stakeholder Engagement
	Engagement with industry	• Disclosure of information about engagement and joint activities with other companies and organizations in the industry in order to achieve the Group's strategic ambition	2.6 Implementing Stakeholder Engagement
	Engagement with government, public sector, communities, and civil society	• Disclosure of information about direct and indirect engagement activities with governments, regulatory institutions, public sector organizations, communities, and civil society in order to achieve the Group's strategic ambition	2.6 Implementing Stakeholder Engagement
Metrics & Targets	**Governance, engagement, business and operational metrics and targets**	• Disclosure of governance, engagement, business, and operational metrics and targets to be used to promote and monitor progress toward achieving the Group's strategic ambition • Reporting at least once per year on metrics and targets	3.2 Metrics and Targets
	Financial metrics and targets	• Disclosure of financial metrics and targets regarding the Group's businesses, sectors, and strategies • Used to promote and monitor progress toward achieving the Group's strategic ambition and reported at least once per year	3.2 Metrics and Targets
	GHG metrics and targets	• Disclosure of GHG emissions and reductions metrics and targets that are being used to promote and monitor progress toward achieving the Group's strategic ambition • Reporting at least once per year on metrics and targets	3.2 Metrics and Targets
	Carbon credits	• Disclosure of carbon credits usage and usage plans for the achievement of the Group's strategic ambition • Reporting at least once per year on carbon credits usage	1.1 Reduction of the Group's GHG Emissions
Governance	**Board oversight and reporting**	• Disclosure of information about governance bodies (the Board of Directors, committees, or similar bodies responsible for governance) or individuals responsible for the supervision of the Transition Plan	3.1 Sustainability Promotion Framework
	Management roles, responsibility and accountability	• Disclosure of management's roles in governance processes, control, and procedures to be used for monitoring, managing, and supervising the Transition Plan • Also, disclosure of how these are being incorporated into wide-ranging controls, reviews, and accountability mechanisms of the organization	3.1 Sustainability Promotion Framework
	Culture	• Disclosure of information about how the Group's strategic ambition and corporate culture will be brought in accord	3.3 Fostering Culture
	Incentives and remuneration	• Disclosure of information about how the Group's strategic ambition will be brought in accord with incentives and remuneration systems	3.1 Sustainability Promotion Framework, Major Future Actions
	Skills, competencies and training	• Disclosure of information about initiatives to evaluate, maintain, and establish appropriate skills, competencies, and knowledge across the entire organization in order to achieve the Group's strategic vision	3.4 Developing Human Resources

(Notes) 1. TPT Disclosure Framework, Oct. 2023 (UK's Transition Plan Taskforce)
2. Partially adapted translation of Guidance for the Formulation of a Transition Strategy for Financial Institutions Beginning with Portfolios and Carbon Analysis (Ministry of the Environment)