

**The corporate governance of Mitsubishi HC Capital Inc. (hereinafter “MHC” or “Company”) is described below.**

(For MHC’s disclosure based on the principles of the Corporate Governance Code, please refer to [Efforts on Each Principle of the Corporate Governance Code] (page 26).

## **Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information**

### **1. Basic Views**

While emphasizing initiatives to achieve sustainable corporate growth and improvement in corporate value over the medium to long term, MHC aspires to contribute to a more prosperous society by respecting the rights and interests of all of its stakeholders—shareholders, customers, local communities, and employees—and fulfilling their trust in the Company, based on the views presented below.

With the recognition that it is one of its social responsibilities to ensure transparent and sound management, MHC continues to work on initiatives to enhance corporate governance by boosting the activity of the Board of Directors, reinforcing the Audit & Supervisory Committee and the internal audit system, ensuring timely and appropriate disclosures of information, and actively engaging in investor relations (IR) and other activities.

#### **(1) Fostering Sound Corporate Culture**

In accordance with Our Vision, which guides all of MHC’s activities, and the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct, which serves as the standard for the decisions and behaviors of all employees, MHC strives to understand the diversity of its various stakeholders including shareholders, customers, local communities, and employees and foster a corporate culture that respects their rights and perspectives and sound business activities.

#### **(2) Ensuring Appropriate Information Disclosure and Transparency**

MHC conducts proactive and continuous information disclosure in order to be trusted and properly evaluated by each of its stakeholders. It also establishes and appropriately operates internal systems to facilitate the swift and impartial disclosure of accurate information regarding its management policies, business strategies, business activities, financial condition, etc. In addition to the items, MHC is required to disclose pursuant to laws and regulations, it actively and voluntarily discloses non-financial information deemed useful to its stakeholders.

#### **(3) Ensuring the Rights and Equal Treatment of Shareholders**

MHC takes appropriate steps to ensure that the rights of shareholders are secured and can be exercised effectively and all shareholders including minority shareholders and foreign shareholders are treated equally.

#### **(4) Constructive Dialogue with Shareholders**

Through events such as General Meetings of Shareholders, financial results briefings, and other domestic and overseas investor relations events, MHC pursues proactive and constructive dialogue with diverse shareholders. It thereby seeks to gain understanding from shareholders regarding matters such as its business strategies and further enhance corporate governance through dialogue.

#### (5) Ensuring Effectiveness of the Board of Directors

All members of the Board of Directors call upon their experience and insight as they engage in free and open discussions, supporting appropriate risk-taking. In this manner, they adequately fulfill their duties and responsibilities to achieve the sustainable growth of MHC, improvement in its corporate value over the medium to long term, enhancement of its capital efficiency and other figures, etc.

#### [Reasons for Non-compliance with the Principles of the Corporate Governance Code]

MHC regards the appropriate development and operation of the corporate governance framework as one of the most important challenges of its management, and has fulfilled all the principles of the Corporate Governance Code. The links to information on the principles stipulated in the Corporate Governance Code are stated in the [List of Disclosures Based on Corporate Governance Code] (page 58).

#### [Disclosure Based on Each Principle of the Corporate Governance Code]

For disclosure based on the principles of the Corporate Governance Code, please refer to [Efforts on Each Principle of the Corporate Governance Code] (page 26).

For [Status of Dialogues with Shareholders, etc.], please refer to V-1. “Policies for the Establishment of Systems and Efforts for Promoting Constructive Dialogue with Stakeholders (Principle 5.1)” (page 54).

#### [Actions toward the Realization of Management Focusing on the Cost of Shareholder Equity and Stock Price]

<b>Details</b>	Details of initiatives are posted on MHC's website
<b>English Disclosure</b>	Yes
<b>Last Updated on</b>	June 26, 2025

#### Supplementary Explanation

MHC, as its corporate mission, aims to achieve sustainable growth and enhance its corporate value over the medium to long term. The Medium-term Management Plan for the three years from fiscal 2023 through fiscal 2025 (hereinafter “2025 MTMP”) represents a milestone toward achieving these goals, and the execution of each strategy and the achievement of each target are linked with the enhancement of our corporate value. From this perspective, we believe it to be extremely important to present our approach to enhancing our corporate value, while communicating our current status, what we are trying to do based on that status, the specific progress of the 2025 MTMP, and our level of achievement, in the form of the Progress of 2025 MTMP, and engaging in dialogues with our stakeholders.

Details are disclosed on our website. Please refer to pages 4 through 7 of Progress of 2025 MTMP – as of the Time of the Financial Results Briefing for FYE3/2025.

Page 4: Understanding of the Current Situation toward the Enhancement of Corporate Value

Page 5: Actions toward the Realization of Management Focusing on the Cost of Shareholder Equity and Stock Price

Pages 6 and 7: Progress of Actions toward the Realization of Management Focusing on the Cost of Shareholder Equity and Stock Price

[https://www.mitsubishi-hc-capital.com/pdf/english/investors/mp\\_en\\_2025-2025.pdf](https://www.mitsubishi-hc-capital.com/pdf/english/investors/mp_en_2025-2025.pdf)

## 2. Capital Structure

### Foreign Shareholding Ratio

From 10% to less than 20%

### [Status of Major Shareholders]

Name / Company Name	Number of Shares Owned (Shares)	Percentage (%)
Mitsubishi Corporation	264,044,396	18.36
Mitsubishi UFJ Financial Group, Inc.	208,345,981	14.48
The Master Trust Bank of Japan, Ltd. (Trust account)	144,141,600	10.02
Custody Bank of Japan, Ltd. (Trust account)	66,458,900	4.62
MUFG Bank, Ltd.	50,348,620	3.50
Mitsubishi UFJ Trust and Banking Corporation	28,431,000	1.97
Meiji Yasuda Life Insurance Company	27,990,390	1.94
STATE STREET BANK WEST CLIENT-TREATY 505234	17,318,563	1.20
STATE STREET BANK AND TRUST COMPANY 505103	13,527,242	0.94
STATE STREET BANK AND TRUST COMPANY 505001	13,248,718	0.92

\* Treasury shares are excluded.

### Controlling Shareholder (Excluding Parent Company)

-

### Parent Company

-

Supplementary Explanation

## 3. Corporate Attributes

Listed Stock Markets and Market Segment	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Business Sector	Other Financing Business
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥1 trillion or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

## 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

MHC has no controlling shareholders.

Please refer to 5. "Other Special Circumstances Which May Have a Material Impact on Corporate Governance" for information regarding the protection of minority stakeholders and Group management.

## 5. Other Special Circumstances Which May Have a Material Impact on Corporate Governance

There are no special circumstances which have any material impact on the corporate governance of MHC.

Please refer to the below for information regarding the protection of minority stakeholders and Group management.

MHC is an affiliate company to Mitsubishi UFJ Financial Group, Inc. and Mitsubishi Corporation (hereinafter “the two companies”). The two companies are listed on the Prime Market of the Tokyo Stock Exchange. MHC’s policy for maintaining its relationship with and independence from the two companies is as follows.

- MHC and Mitsubishi UFJ Financial Group, Inc., and MHC and Mitsubishi Corporation, regard each other as important strategic partners, and are aiming to increase their corporate value through diverse cooperation.
- MHC makes independent management decisions and executes its business based on its responsibilities as a publicly traded company, and ensures independence in its management.

As of June 26, 2025, one Outside Director of MHC is concurrently serving as Executive Vice President of Mitsubishi Corporation. We expect to utilize this Director’s management experience and extensive knowledge of overall Japanese and international businesses for the Company’s management and effectively utilize advice from them, having served as a chief of business areas of collaboration between Mitsubishi Corporation and the Company. We deem that this will lead to the improvement of the Company’s corporate value and contribute to the enhancement of the interests of all shareholders, including minority shareholders.

However, if any item of business posing a conflict of interest between Mitsubishi Corporation and the Company is submitted to the Company’s Board of Directors, this Director will participate in neither the resolutions nor the deliberations. In this way, the Company ensures the fairness of its Board of Directors.

Of the Company’s 12 Directors, five are independent Outside Directors.

## // Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

<b>Organization Form</b>	Company with Audit & Supervisory Committee
<b>[Directors]</b>	
<b>Maximum Number of Directors Stipulated in Articles of Incorporation</b>	22
<b>Term of Office Stipulated in Articles of Incorporation</b>	1 year
<b>Chairperson of the Board</b>	Chairman (not concurrently serving as President & CEO)
<b>Number of Directors</b>	12
<b>Appointment of Outside Directors</b>	Appointed
<b>Number of Outside Directors</b>	6
<b>Number of Outside Directors Designated as Independent Directors</b>	5

Outside Directors' relationships with MHC are as follows.

#### Outside Directors' Relationships with MHC (1)

Name	Attribute	Relationship with MHC (*)										
		a	b	c	d	e	f	g	h	i	j	k
Yuri Sasaki	Scholar											
Kayoko Kawamura	From another company								△			
Shota Kondo	From another company							○	○			
Hiroyasu Nakata	Scholar											
Hiroko Kaneko	Certified public accountant											
Masayuki Saito	From another company								△			

\* **Categories for "Relationship with MHC"**

\* **“○” when the Director presently falls or has recently fallen under the category**

**“△” when the Director fell under the category in the past**

\* **“●” when a close relative of the Director presently falls or has recently fallen under the category**

**“▲” when a close relative of the Director fell under the category in the past**

a. An executive of a listed company or its subsidiary

b. An executive or a non-executive director of the parent company of a listed company

c. An executive of a fellow subsidiary of a listed company

d. A party with a listed company as a major business partner or an executive thereof

e. A major business partner of a listed company or an executive thereof

f. A consultant, an accounting professional, or a legal professional who receives a large amount of money or other assets from a listed company in addition to remuneration as a director

g. A major shareholder of a listed company (in cases where the shareholder is a legal entity, an executive of the said legal entity)

- h. An executive of a business partner of a listed company (who does not fall under any of d, e, or f) (applies to the director themselves only)
- i. An executive of a company to which outside officers are mutually appointed (the director themselves only)
- j. An executive of a company or organization that receives a donation from a listed company (the director themselves only)
- k. Other

#### Outside Directors' Relationships with MHC (2)

Name	Audit & Supervisory Committee Member	Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Yuri Sasaki		○	-	<p>As a university professor specializing in international finance and related fields, Ms. Yuri Sasaki possesses advanced knowledge of domestic and international finance. She also has experience in the investigation and deliberation of key issues related to domestic finance, such as financial systems and capital markets, having served as an Expert Committee Member of the Financial System Council of the Financial Services Agency. She also serves in a supervisory role in corporate management as an Outside Director of the Company and a major financial institution. As she is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as an independent Outside Director by leveraging the above knowledge and experience, we have reappointed her Director.</p> <p>We expect her to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective independent of executive management responsible for business execution as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.</p> <p>(Reasons for designation as an independent Director)</p> <p>MHC has determined that Ms. Sasaki fulfills the independence standards and has no risk of conflicts of interest with general shareholders, after comprehensively taking into consideration her current status, past career, and other factors. MHC has therefore designated her as an independent Director.</p>
Kayoko Kawamura		○	<p>Previously, Ms. Kawamura was a Director at IBM Japan, Ltd.</p> <p>There is a transactional relationship between IBM Japan</p>	<p>Ms. Kayoko Kawamura has experience and knowledge in digital transformation (DX), having held positions such as systems engineer and head of application development for financial institutions at IBM Japan, Ltd., and currently serves as Executive Officer at Teradata Japan, Ltd., where she is primarily responsible for supporting DX initiatives for client companies. She also has experience in corporate management, having served as a part-</p>

			<p>and MHC; however, the amount is less than 1% of the consolidated net sales of IBM Japan and MHC for fiscal year 2024.</p>	<p>time officer at an affiliated company of IBM Japan, Ltd. As she is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as an independent Outside Director by leveraging the above experience and knowledge, we have reappointed her Director.</p> <p>We expect her to advise us on the promotion of DX, one of our important measures, and to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as an independent Outside Director from an objective perspective independent of executive management responsible for business execution. We also expect her to contribute to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.</p> <p>(Reasons for designation as an independent Director)</p> <p>MHC has determined that Ms. Kawamura fulfills the independence standards and has no risk of conflicts of interest with general shareholders, after comprehensively taking into consideration her current status, past career, and other factors. MHC has therefore designated her as an independent Director.</p>
Shota Kondo			<p>Mr. Kondo is currently Executive Vice President of Mitsubishi Corporation, which is MHC's major shareholder. There is a transactional relationship, including lease contracts, between Mitsubishi Corporation and MHC.</p>	<p>At Mitsubishi Corporation, Mr. Shota Kondo has held various positions including Head of the CEO Office of the Natural Gas Group and General Manager of the Corporate Strategy &amp; Planning Department, with experience including an assignment in the US. He concurrently serves as CEO of the Smart-Life Creation (S.L.C.) Group. As he is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from a practical perspective as an Outside Director by leveraging his management experience at Mitsubishi Corporation and his insight into domestic and international business, we have reappointed him Director.</p> <p>As Mr. Kondo concurrently serves as Executive Vice President of Mitsubishi Corporation, a major shareholder of the Company, he is not designated as an independent Director. Mitsubishi Corporation is an important business partner for the Company and the Company expects to effectively utilize his advice as someone who has served as a chief of business areas of collaboration between Mitsubishi Corporation and the Company. We deem that this will lead to the improvement of the Company's corporate value and contribute to the enhancement of the interests of all shareholders including minority shareholders.</p> <p>Based on the above, we expect him to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as well as to the improvement of the soundness, transparency, and fairness of the Company's</p>

				<p>management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.</p> <p>In addition, the Company's Board of Directors has determined that, in the event a proposal involving a conflict of interest between the Company and Mitsubishi Corporation is submitted, Mr. Kondo shall not participate in the deliberation or resolution of such matters. Mr. Kondo has also expressed his intention to perform his duties as a Director in the interest of the Company, rather than on behalf of any particular shareholder.</p>
Hiroyasu Nakata	○	○	-	<p>Mr. Hiroyasu Nakata possesses advanced knowledge as a legal expert and has practiced law, served as a university professor, etc. He also has experience in investigation and deliberation related to legal matters, having served as an ad-hoc member of the Legislative Council of the Ministry of Justice. As he is expected to contribute to appropriate decision-making, supervision of overall management, and neutral and objective auditing by the Board of Directors as an independent Outside Director by leveraging the above knowledge and experience, we have reappointed him Director, Audit &amp; Supervisory Committee Member.</p> <p>We expect him to contribute to appropriate decision-making and supervision of overall management, and neutral and objective auditing by the Board of Directors from an objective perspective independent of management responsible for business execution as well as to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee, and Compensation Committee.</p> <p>(Reasons for designation as an independent Director)</p> <p>MHC has determined that Mr. Nakata fulfills the independence standards and has no risk of conflicts of interest with general shareholders, after comprehensively taking into consideration his current status, past career, and other factors. MHC has therefore designated him as an independent Director.</p>
Hiroko Kaneko	○	○	-	<p>Ms. Hiroko Kaneko possesses advanced knowledge of accounting, auditing, etc. with experience as a university professor researching accounting, auditing, disclosure, etc. and an accounting practitioner. She also has engaged in the development and improvement of systems for accounting, auditing, and internal control, and other initiatives as a member of the Business Accounting Council of the Financial Services Agency. Furthermore, she has experience supervising the operation and management of organizations, such as serving as a partner of major audit corporations and an outside director or outside auditor of listed companies. As she is expected to contribute to appropriate decision-making and supervision of</p>



				<p>overall management, and neutral and objective auditing by the Board of Directors as an independent Outside Director by leveraging the above knowledge and experience, we have reappointed her Director, Audit &amp; Supervisory Committee Member.</p> <p>We expect her to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective independent of executive management responsible for business execution as well as to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee, and Compensation Committee.</p> <p>(Reasons for designation as an independent Director)</p> <p>MHC has determined that Ms. Kaneko fulfills the independence standards and has no risk of conflicts of interest with general shareholders, after comprehensively taking into consideration her current status, past career, and other factors. MHC has therefore designated her as an independent Director.</p>
Masayuki Saito	○	○	<p>Previously, Mr. Saito was Representative Director &amp; Executive Vice President of DIC Corporation; however, the amount of transaction between DIC Corporation and MHC was less than 1% of the consolidated net sales of DIC Corporation and MHC for fiscal year 2024.</p>	<p>Mr. Masayuki Saito served as General Manager of the Corporate Strategy &amp; Planning Department, the president of a subsidiary covering the Asian region, and General Manager of the Finance Department, and assisted the President and CEO as Representative Director and Executive Vice President at DIC Corporation. He also has experience supervising the overall management of the DIC Group as a Director and Chairman. As he is expected to contribute to appropriate decision-making, supervision of overall management, and neutral and objective auditing by the Board of Directors as an independent Outside Director by leveraging the above knowledge and experience, we have reappointed him Director, Audit &amp; Supervisory Committee Member.</p> <p>We expect him to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective independent of executive management responsible for business execution as well as to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee, and Compensation Committee.</p> <p>(Reasons for designation as an independent Director)</p> <p>MHC has determined that Mr. Saito fulfills the independence standards and has no risk of conflicts of interest with general shareholders, after comprehensively taking into consideration his current status, past career, and other factors. MHC has therefore designated him as an independent Director.</p>

## [Audit & Supervisory Committee]

### Composition of Audit & Supervisory Committee and Attributes of the Chairperson

	All Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
<b>Audit &amp; Supervisory Committee</b>	4	1	1	3	Inside Director

### Appointment of Directors and/or Employees to Support the Duties of the Audit & Supervisory Committee

Appointed

### Matters Relating to the Independence of the Directors and the Employees from the Executive Directors

The majority of MHC's Audit & Supervisory Committee Members are independent Outside Directors and thus its independence is secured.

The Audit & Supervisory Committee Office was established to support the Audit & Supervisory Committee. The office is not subject to instructions from business execution divisions, and its appointed employees support the duties of the Audit & Supervisory Committee.

To secure the effectiveness of instructions given by the Audit & Supervisory Committee to such employees, the consent of the Audit & Supervisory Committee is necessary for personnel transfers of such employees or disciplinary action against such employees. With respect to the decisions of personnel evaluations or remuneration, etc. relating to such employees, it is necessary to obtain the consent of the Audit & Supervisory Committee Members who have been selected by the Audit & Supervisory Committee.

### Cooperation among the Audit & Supervisory Committee, Financial Auditors, and Internal Audit Department

MHC makes efforts toward the improvement and operation of a system for effective and efficient auditing, while ensuring that each party remains cautious in three-pillar auditing; that is, auditing by the Audit & Supervisory Committee, auditing by the Accounting Auditor, and internal auditing by the Internal Audit Department.

The Audit & Supervisory Committee holds monthly meetings in principle with the Accounting Auditor. It closely cooperates with them by receiving reports on the following items and exchanging opinions about matters of common interest.

- ① Audit plans
- ② Progress and results of audits
- ③ Status of priority audit areas
- ④ Status of internal control concerning financial reports
- ⑤ Selection of candidates for Key Audit Matters (KAM)
- ⑥ Accounting Auditor quality management system
- ⑦ Status of monitoring to ensure independence

The initiatives which were given particular attention by the Audit & Supervisory Committee in its communications with the Accounting Auditor in fiscal year 2024 were as follows.

- ① The committee received reports on the status of overseas subsidiaries' responses to issues recognized in fiscal year 2023 financial results and exchanged opinions.
- ② The committee received a report on the progress of subsidiaries' auditing procedures in fiscal year 2024, etc. and exchanged opinions.
- ③ During onsite observations at overseas subsidiaries, the committee conducted interviews and exchanged opinions jointly with local accounting audit teams.
- ④ The committee provided requests to the Accounting Auditor, which were gained through communication with full-time auditors at domestic Group companies, and exchanged opinions.

Further, the Audit & Supervisory Committee regularly exchanges information and opinions with the Internal Audit Department in conducting audits. It receives timely and appropriate reports on the following items from the Internal Audit Department and issues instructions as necessary, holds meetings regarding risk awareness, priority audit items, etc., and cooperates with the department in conducting audits.

- ① Audit plans
- ② The status of audits
- ③ Audit results

In addition, the Audit & Supervisory Committee and the Internal Audit Department collaborated on the following in fiscal year 2024.

- ① The Internal Audit Department participated in meetings held by Auditing & Supervisory Committee Members with auditors at domestic Group companies.
- ② Audit & Supervisory Committee Members who were selected by the committee, and the Audit & Supervisory Committee Office supported and participated in the Global Audit Conference held by the Internal Audit Department.
- ③ Audit & Supervisory Committee Members who were selected by the committee, participated as observers in internal audit review meetings held by the Internal Audit Department

In the communication between the Internal Audit Department and the Accounting Auditor, the Internal Audit Department provides information to the Accounting Auditor about its internal audit plans, the status and results of audits, and other important items, and both parties exchange opinions on pertinent items.

### [Voluntary Establishment of Committees]

**Voluntary Establishment of Committees equivalent to a Nomination Committee and a Compensation Committee**

Established

#### Status of Voluntarily Established Committees, Member Composition, and Attributes of the Chairpersons

	Committee	No. of Members	Full-time Members	Inside Directors	Outside Directors	External Experts	Other	Chair-person
<b>Voluntarily Established Committee Equivalent to Nomination Committee</b>	Nomination Committee	7	0	1	6	0	0	Independent Outside Director
<b>Voluntarily Established Committee Equivalent to Compensation Committee</b>	Compensation Committee	7	0	1	6	0	0	Independent Outside Director

#### Supplementary Explanation

MHC, based on the understanding that appropriate involvement of independent Outside Directors is important for resolutions related to nomination and remuneration, has established the Nomination Committee and Compensation Committee, of which independent Outside Directors comprise the majority. In addition, from the perspective of enhancing the independence and objectivity of the functions of the Board of Directors and its accountability, since April 1, 2025, MHC has assigned independent Outside Directors as the chairpersons of the committees.

The Nomination Committee discusses the appointment of Directors, the succession plan for the President & CEO, knowledge, experience, skills, etc. that the Board of Directors should have, and other matters.

The Compensation Committee regularly monitor MHC Directors' remuneration in comparison with the market standard by using an external specialized agency, and discusses policies, etc. concerning the systems, standards, etc. for officers' remuneration.

The members and the chairperson of each committee shall be selected by the Board of Directors, and items discussed in the committees shall be resolved by a majority of committee members in attendance. It is stipulated in internal rules that the Board of Directors shall make decisions in deference to decisions made by the committees to the fullest extent possible. Furthermore, MHC has established the Governance Committee which serves as an advisory body to the Board of Directors in order to extensively exchange opinions on the improvement of effectiveness of the Board of Directors and other matters related to the Board of Directors, etc. The committee is working to increase the soundness, transparency, and fairness of MHC's management.

For the status of each committee's activities, please refer to [Status of Activities of the Board of Directors, Audit & Supervisory Committee, and Other Committees (Frequency of Meetings, Specific Discussion Items, Attendance of Directors and Committee Members)] (page 36).

## [Independent Directors]

**Number of Independent Directors**

5

### Other Matters Relating to the Independent Directors

"Outside Directors' Independence Judgment Criteria" prescribed by MHC are as follows:

#### ■ Outside Directors' Independence Judgment Criteria

MHC shall judge the independence of Outside Directors by confirming if they fall under any of the following items (1) through (6) at any time in the past three fiscal years, and considering if the individual is independent objectively and substantially from multiple perspectives, assuming that they are meeting the requirements of independent Directors/auditors specified by financial instruments exchanges in Japan, such as the Tokyo Stock Exchange.

- (1) A major shareholder (i.e., a shareholder holding 10% or more of the total voting rights) of MHC or an executive thereof (\*1)
- (2) An executive of a lender of MHC that exceeds MHC's standard (\*2)
- (3) An executive of a business partner of MHC that exceeds MHC's standard (\*3)
- (4) A consultant, attorney-at-law, certified public accountant, or other person who provides professional services and who receives more than 10 million yen per fiscal year in monetary or other assets from MHC, excluding officers' remuneration
- (5) A representative partner or partner of MHC's Accounting Auditor
- (6) A person who belongs to an association which receives donations from MHC exceeding a certain amount (\*4)

(\*1) An executive refers to an executive director, executive officer, or other employee.

(\*2) A lender that exceeds MHC's standard refers to a lender from whom the amount MHC has borrowed exceeds 2% of the consolidated total assets of MHC.

(\*3) A business partner that exceeds MHC's standard refers to a business partner whose dealings with MHC have a value exceeding 2% of the consolidated net sales of MHC or of the relevant business partner.

(\*4) Donations exceeding a certain amount refers to donations exceeding 10 million yen per fiscal year.

Even if a candidate qualifies under any of items (1) through (6) above, if there are special circumstances to designate the relevant candidate as an independent Director/auditor and he/she is judged to be substantially independent, and is to be registered as an independent Director/auditor with a financial instruments exchange in Japan, such as the Tokyo Stock Exchange, the reason for the candidate's eligibility shall be explained and disclosed at the time of registration and in the reference documents for a general shareholders meeting concerning the agenda of the election of the candidate as an Outside Director or Audit & Supervisory Committee Member.

## [Incentives]

### Implementation of Incentive Policies for Directors

Performance-based compensation plan

#### Supplementary Explanation

MHC provides bonuses to Directors as short-term incentive compensation (performance-based monetary compensation) and MHC shares, etc. as medium- to long-term incentive compensation (performance-based stock compensation).

MHC uses a BIP (Board Incentive Plan) trust, which is closely linked to the medium- to long-term performance of MHC and high in both transparency and objectivity, as the stock option system. The BIP trust is intended to further increase Directors' willingness to contribute to expanding MHC's corporate value over the medium to long term, and to share the benefits and risks of stock price fluctuations with shareholders.

For details, please refer to III-6. "Policies and Procedures for Determining Remuneration of Directors and Management Members (principle 3.1 (iii))" (page 44) in [Efforts on Each Principle of the Corporate Governance Code].

### Persons Eligible for Stock Option

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#### Supplementary Explanation

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## [Remuneration of Directors]

### Status of Disclosure (of Individual Directors' Remuneration)

Individual remuneration is partially disclosed

\* Only Directors whose remuneration, etc. is 100 million yen or more in total are described here.

#### Supplementary Explanation

(1) Total Amount of Remuneration, etc. for Each Director Category, Total Amount of Remuneration, etc. by Remuneration Type, and the Number of Applicable Directors (Fiscal year 2024)

① Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors):

414 million yen in total/5 Directors

(Breakdown) Base remuneration: 293 million yen

Bonus: 54 million yen

Stock compensation: 67 million yen

② Directors who are Audit & Supervisory Committee Members (excluding Outside Directors):

49 million yen in total (base remuneration only)/2 Directors

③ Outside Directors: 88 million yen in total (base remuneration only)/9 Directors

(2) Total Amount of Remuneration, etc. by Director (Fiscal year 2024)

① Taiju Hisai (Representative Director, President & CEO) Total amount of remuneration, etc.:

124 million yen

(Breakdown) Base remuneration: 75 million yen

Bonus: 21 million yen

Stock compensation: 27 million yen

\*1 The amount of bonus is the sum of the following two items:

- a) The difference between the amount of bonus actually paid in fiscal year 2024 and the amount of provision for officer's bonuses in fiscal year 2023
- b) The amount of provision for officers' bonuses in fiscal year 2024

\*2 The amount of stock compensation is the amount of recognized expenses, which was calculated based on the points for fiscal year 2024.

## Policy on Determining Remuneration Amounts and Calculation Methods

Established

### Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

#### (1) Basic Policy

- MHC's officers' remuneration is determined by also taking into account officers' incentives, with a view toward increasing corporate value through the execution of business strategies.
- The level of remuneration shall be appropriate with respect to the roles and responsibilities of each officer, and is also based on market levels, from the viewpoints of increasing corporate value over the medium to long term and improving short-term business performance.

#### (2) Remuneration System for Directors

- In principle, Executive Directors' remuneration, etc., consists of base remuneration, short-term incentive compensation (performance-based monetary compensation), and medium-to long-term incentive compensation (performance-based stock compensation). As short-term incentive compensation, cash is paid as a bonus, while medium-to long-term incentive compensation is paid as provision of MHC's shares, etc. in a trust framework.
- With a view toward maintaining a sound performance-based ratio, the ratio of fixed remuneration (base remuneration) to floating compensation (bonus and stock compensation) is generally set at 1:0.6 (the ratio of base remuneration to bonus to stock compensation is generally set at 1:0.3:0.3).
- Bonuses and stock compensation, which represent incentive compensation, are not paid to non-executive Directors (excluding persons who are Audit & Supervisory Committee Members) from the standpoint of ensuring the effectiveness of their supervisory functions, and to Directors who are Audit & Supervisory Committee Members from the standpoint of ensuring the fairness of audits.

For details, please refer to III-6. "Policies and Procedures for determining Remuneration of Directors and Management Members (principle 3.1 (iii))" (page 43) in [Efforts on Each Principle of the Corporate Governance Code].

#### [Supporting System for Outside Directors (Outside Audit & Supervisory Committee Members)]

- The General Affairs Department and the Audit & Supervisory Committee Office are mainly responsible for duties such as transmitting information and sending documents to Outside Directors.
- As a general rule, materials of the Board of Directors and the Audit & Supervisory Committee are sent in advance, with the relevant departments providing prior explanations of particularly important proposals.
- The Audit & Supervisory Committee Office, which assists Directors who are Audit & Supervisory Committee Members, has been established to support the Audit & Supervisory Committee.
- Each year, all Directors conduct a review of activities of the Board of Directors and evaluate its effectiveness. In addition, discussions attended only by independent Outside Directors and meetings for independent Outside Directors to exchange opinions with the Chairman and the President & CEO are held regularly, and in the event that an issue, etc. is raised there, it will be appropriately responded to and improved.

## [Status of Retired Presidents & CEOs, etc.]

Names and Other Details about Advisors or Senior Advisors Who Are Former Presidents & CEOs, etc.

Name	Title	Work Performed	Conditions (Full-time/Part-time, Remuneration, etc.)	Date of Retirement as CEO, etc.	Term of Office
Ryuichi Murata	Senior Advisor	Activities contributing to the financial world, society, etc. (No involvement in management)	Part time, with remuneration	2017/6/29	Until March 31, 2026
Tadashi Shiraishi	Senior Advisor	Activities contributing to the financial world, society, etc. (No involvement in management)	Part time, with remuneration	2021/4/1	Until March 31, 2026
Seiji Kawabe	Senior Advisor	Activities contributing to the financial world, society, etc. (No involvement in management)	Part time, with remuneration	2023/3/31	Until March 31, 2026

**Total Number of Advisors or Senior Advisors Who Are Former Presidents & CEOs, etc.**

3

### Other Items

- Former Chairmen and Presidents of MHC may be appointed as Senior Advisors for purposes of engaging in external activities, such as activities in the financial world and activities to contribute to society. Senior Advisors are not involved in decision-making at the management level, and MHC management does not engage in regular reporting, etc. to Senior Advisors.
- Senior Advisors are appointed at the Nomination Committee, and their contract periods are renewed annually as necessary based on the deliberation of the status of the activities of each Senior Advisor along with the amount of their remuneration. However, the maximum term of office is three years.
- The Senior Advisor system was revised in July 2018 and April 2023. While certain transitional measures are taken regarding the maximum terms, etc. of Senior Advisors appointed before the revision, the current three Senior Advisors will retire at the end of March 2026.

## 2. Matters on Functions of Business Execution, Auditing, Oversight, Nominating, Remuneration Decisions, etc. (Overview of Current Corporate Governance Systems)

MHC is a company with an Audit & Supervisory Committee, and has established a Board of Directors to be responsible for important decision-making and supervisory functions, and an Audit & Supervisory Committee to be responsible for audit and supervisory functions.

In order to further enhance its corporate governance, MHC has also established a Nomination Committee and a Compensation Committee to serve as advisory bodies to designate the President & CEO and determine the remuneration, etc. of Directors. Further, MHC has established a Governance Committee, which consists of Outside Directors, Representative Directors, etc., to serve as an advisory body to the Board of Directors regarding the improvement of the effectiveness of the Board of Directors, etc.

Alongside adopting an executive officer system, MHC has established an Executive Committee to serve as a body for deliberation and decision-making on important management matters.

For an overview of each of these bodies and the status of their activities, etc., please refer to II-3. "Overview of Each Organization, Status of Activities, etc." (page 33) in [Efforts on Each Principle of the Corporate Governance Code].

## 3. Reasons for Adoption of Current Corporate Governance System

In order to enhance the transparency and fairness of management, strengthen the supervisory functions of the Board of Directors, and enhance corporate governance, MHC has adopted the structure of a company with an Audit & Supervisory Committee.

## ///Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Vitalize the General Meetings of Shareholders and Facilitate Smooth Exercise of Voting Rights

	Supplementary Explanations
<b>Early Sending of Notice of Convocation of the General Meeting of Shareholders</b>	The notice of convocation of the General Meeting of Shareholders in June 2025 was sent three business days prior to the statutory deadline (June 6). Disclosure on TDnet, MHC's website, etc. was made 14 days prior to the sending date (May 23).
<b>Scheduling of the General Meeting of Shareholders on a Non-peak Day</b>	MHC strives to set meeting dates by avoiding the dates on which many companies hold shareholders' meetings. The most recent General Meeting of Shareholders was held on June 26, 2025.
<b>Allowing Electronic Exercise of Voting Rights</b>	MHC permits the exercise of voting rights via the Internet.
<b>Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance the Environment for Institutional Investors to Exercise Voting Rights</b>	MHC participates in the electronic voting platform operated by ICJ, Inc.
<b>Providing Convocation Notices (Summary) in English</b>	The notice of convocation in English was disclosed on TDnet and MHC's website on May 30.
<b>Other</b>	<ul style="list-style-type: none"> <li>• In addition to receiving questions on the website exclusively for shareholders before the meeting, MHC held a virtual and hybrid meeting of shareholders (participatory meeting), and plans to distribute the video of the General Meeting of Shareholders (on demand).</li> <li>• A sign language interpreter was present at the venue in order for more shareholders to participate and have deeper understanding of MHC. The sign language interpretation was distributed simultaneously, and subtitles are planned to be added to on-demand video distribution.</li> <li>• The business report was presented in an easy-to-understand video format, and the video was posted on MHC's website.</li> <li>• The results of the exercise of voting rights are disclosed, including the number of votes of approval or disapproval, in extraordinary reports.</li> </ul>

### 2. Investor Relations Activities

	Supplementary Explanations	Explanation by the Representative
<b>Formulation and Publication of Disclosure Policy</b>	<ul style="list-style-type: none"> <li>• MHC voluntarily and actively discloses information that is deemed to be useful for shareholders and other investors, as well as information that MHC is required to disclose under the rules of stock exchanges or laws and regulations, including the Financial Instruments and Exchange Act, in order to gain the trust and fair evaluation of shareholders and other investors.</li> <li>• MHC discloses its Information Disclosure Policy at the link provided below:</li> </ul>	-



	<a href="https://www.mitsubishi-hc-capital.com/english/sustainability/various_policies.html">https://www.mitsubishi-hc-capital.com/english/sustainability/various_policies.html</a>	
<b>Regular Briefings for Individual Investors</b>	<ul style="list-style-type: none"> <li>MHC participates in IR events held by securities exchanges and securities companies targeting at individual investors, and explains about its business activities, performance, etc.</li> <li>MHC provides the videos for financial results briefings and webinars for private investors, financial results materials (with scripts provided at the financial results briefings), scripts of Q&amp;A sessions of financial results briefings, and others on the corporate website. <a href="https://www.mitsubishi-hc-capital.com/english/investors/index.html">https://www.mitsubishi-hc-capital.com/english/investors/index.html</a></li> </ul>	No
<b>Regular Briefings for Analysts and Institutional Investors</b>	<ul style="list-style-type: none"> <li>The President &amp; CEO, etc. gives briefings twice per year regarding the second quarter financial results and the full-year financial results.</li> <li>MHC holds small meetings between securities analysts and the President &amp; CEO, etc.</li> <li>MHC regularly holds individual interviews between domestic institutional investors and the President &amp; CEO, etc.</li> <li>Business Segment Meetings are held for institutional investors.</li> </ul>	Yes
<b>Regular Briefings for Overseas Investors</b>	<ul style="list-style-type: none"> <li>MHC regularly holds individual interviews between institutional investors in the Americas, Europe, Asia, and other countries and the President &amp; CEO, etc.</li> <li>MHC participates in various conferences held by securities companies and holds individual interviews with overseas institutional investors.</li> </ul>	Yes
<b>Posting of IR Materials on Website</b>	Financial information, financial highlights, financial results, Financial Data Sheets, Integrated Report, ESG Data Book, Investors' Guide, and other IR information in Japanese and English are posted on MHC's website: <a href="https://www.mitsubishi-hc-capital.com/english/investors/index.html">https://www.mitsubishi-hc-capital.com/english/investors/index.html</a>	-
<b>Establishment of IR-related Department (Person in Charge)</b>	Corporate Communications Department	-
<b>Other</b>	Throughout the year, the staff in charge of IR hold individual interviews with domestic and overseas analysts and institutional investors (excluding quiet periods).	-

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
<b>Establishment of Internal Rules, etc., for Respecting the Position of Stakeholders</b>	Corporate responsibility to stakeholders is clarified in MHC's Our Vision. For Our Vision, please refer to MHC's website. <a href="https://www.mitsubishi-hc-capital.com/english/corporate/idea/index.html">https://www.mitsubishi-hc-capital.com/english/corporate/idea/index.html</a>
<b>Implementation of Environmental Preservation Activities, CSR Activities, etc.</b>	<ul style="list-style-type: none"> <li>MHC established the Social Contribution Activity Policy in 2021. With a focus on the environment, human development, welfare and health, safety and security, and regional contribution, MHC, as a corporate citizen, proactively and continuously engages in activities contributing to solving regional issues, such as charity and volunteer activities around the world.</li> <li>For the MHC Group's social contribution activities, please refer to MHC's website. Together with Local Communities:</li> </ul>

	<a href="https://www.mitsubishi-hc-capital.com/english/sustainability/social/community_and_society.html">https://www.mitsubishi-hc-capital.com/english/sustainability/social/community_and_society.html</a> ESG Data Book: <a href="https://www.mitsubishi-hc-capital.com/english/investors2/library/esg-databook/">https://www.mitsubishi-hc-capital.com/english/investors2/library/esg-databook/</a>
<b>Formulation of Policies, etc., on the Provision of Information to Stakeholders</b>	<ul style="list-style-type: none"> <li>▪ MHC has established a set of regulations for handling information disclosures, regarding disclosure procedures for important management information, in order to carry out swift and impartial disclosure of accurate information related to the MHC Group to stakeholders.</li> <li>▪ The Information Disclosure Policy sets forth matters such as the objectives and basic approach of MHC's IR activities, as well as standards and manner for information disclosures.</li> </ul>

## **IV Matters Related to the Internal Control System, etc.**

### **1. Basic Views on Internal Control System and the Progress of System Development**

MHC has resolved to use a system for ensuring the propriety of business activities of the company (internal control system) as follows, in accordance with the Companies Act and other relevant laws and regulations.

Hereinafter, “the Group” refers to MHC and MHC’s subsidiaries and affiliates, and “Group companies” refers to MHC’s subsidiaries and affiliates.

In addition, the internal control system shall be applied to each Group company by making appropriate adjustments based on factors such as the business operations, scale, and importance of each Group company.

[System for Group Management]

- (1) MHC shall establish the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct in order to share fundamental values and ethics to be embraced by all members of the Group and reflect them in business.
- (2) MHC shall establish management manner between MHC and the Group companies, in order to ensure the propriety of the business activities of the Group companies, and establish internal rules to improve the management efficiency and corporate value of the Group as a whole, through the Group carrying out activities with a strong sense of unity.
- (3) MHC shall require the Group companies to request prior approval or consultation or to provide reports regarding important management matters in line with internal rules in order to manage the Group appropriately. Thus, MHC shall manage the Group companies with responsible departments giving approval, implementing consultation, etc. in adherence to the allocation of duties.
- (4) MHC shall establish management and operational manners for internal controls pertaining to the financial reports of the Group, and shall effectively develop and operate the internal controls of the Group as a whole, so that MHC’s financial reports will be prepared appropriately, in accordance with the provisions of the Financial Instruments and Exchange Act.

[Risk Management System]

<Company-wide Risk Management>

- (1) MHC shall establish a company-wide risk management system that is based on the policy of taking risks within the controlled scope decided by the Executive Committee, the Board of Directors, and other arms through overall understanding of the wide-ranging risks of the Group and sufficient consideration of potential risks estimated along with new operations. The company-wide risk management system aims to ensure sound management and contribute to sustainable improvement of corporate value, while performing its social responsibility as a company to stakeholders including clients, shareholders, employees and communities.
- (2) MHC shall establish a base for the stable recording of returns corresponding to risk, achievement of an appropriate capital structure, and appropriate allocation of resources, by identifying and recognizing, evaluating and measuring, controlling, monitoring, and reporting the risks of the Group as well as conducting integrated risk management and ongoing operations.
- (3) MHC shall classify the major risks of the Group as follows according to the characteristics of its businesses, operations, etc., and establish risk management manners, operations, and the like.
  - i) Credit risks ii) Asset risks iii) Investment risks iv) Market risks v) Liquidity risks vi) Country risks vii) Operational risks
- (4) Group companies shall understand the Group’s overall risks that can be reasonably evaluated and measured quantitatively. MHC shall discuss risk capital management as necessary and on a regular basis and take actions for its implementation, monitoring, etc.
- (5) MHC shall establish internal rules that state, among other matters, the Group’s basic policies for risk management and risk management frameworks and operations. The Group companies shall also prepare internal rules that state, among other matters, the risk management frameworks and operations.
- (6) MHC shall establish an Executive Officer and a department in charge of company-wide risk management, respectively, and hold Risk Management Committee meetings related to the integrated risk management of the Group as necessary and on a regular basis. Reports to the Risk Management Committee shall be made on major risks of the Group’s business, and other risk management-related matters concerning financial markets, liquidity, compliance, systems, IT, etc. provided from the committees and internal audits.
- (7) MHC shall request the Group companies to report important risk-related matters and compile information that is necessary for company-wide risk management. Then, reports shall be made to the Board of Directors on the current situation, issues and measures to be taken as necessary, etc., and the Board of Directors shall supervise integrated risk management and operations.

#### <Crisis Management>

- (1) MHC shall clarify the Group's basic approach to and criteria for responding to crisis events and sharing them with the Group companies in order to prepare for situations such as huge financial losses, loss of credibility, and excessive delay or prolonged suspension of business at the Group. Also, MHC shall establish the systems necessary to ensure the continuation of overall business operations and restoration of normal functions, perform its social responsibility, and minimize the Group's losses.
- (2) MHC shall, during normal times, designate departments to respond to potential emergency events according to its nature and establish a response system according to risk stage. MHC shall establish internal rules that are necessary in an emergency for information collection, internal collaboration, and implementation of measures for business continuation and recovery. The Group companies shall establish their own internal regulations, etc.

#### [Compliance System]

- (1) MHC shall establish the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct in order to share fundamental values and ethics to be embraced by all members of the Group and reflect them in business.
- (2) MHC shall establish a system for ensuring that the officers and employees of the Group comply with laws and regulations and the Articles of Incorporation, by establishing and announcing internal rules and the Compliance Manual.
- (3) MHC shall establish the Compliance Committee, which deals with establishment, maintenance, management, etc., of the Group's compliance system, in addition to the Chief Compliance Officer (Head of Risk Management Division), who is responsible for the compliance of the Group, and the Legal & Compliance Department, which is tasked with enforcing compliance. The Group companies shall, if there are any legal risks, etc. inherent to the business activities of such company, cooperate with MHC as necessary, and develop an appropriate compliance system.
- (4) MHC shall formulate compliance programs (specific plans to ensure that the officers and employees of the Group comply with laws and regulations, etc., including education for the Group's officers and employees) and monitor how the Group's officers and employees are working on those programs.
- (5) MHC shall establish the Compliance Hotline System as an internal whistleblowing system under which the Group's officers, employees, etc., can report to or seek consultations with MHC regarding unfair practices and other conduct. MHC shall not treat disadvantageously persons who have made reports merely because they made those reports using an internal whistleblowing system. MHC shall clarify this in its internal rules, etc. and fully inform all officers and employees through internal training and on other occasions.
- (6) The Group shall take a resolute stance against anti-social forces, which threaten the peace and stability of civil society, and work to prevent transactions with such forces.
- (7) MHC shall be aware of the possibility that funds transacted through the Group may be used for various criminal activities and/or terrorism, and shall work to prevent money laundering.

#### [Information Management System]

- (1) MHC shall appropriately handle information assets held by the MHC Group, and establish and manage necessary systems, etc. for the maintenance and enhancement of information security.
- (2) MHC shall establish management measures required for the protection of information held by MHC and internal regulations, etc. that stipulate the method and term of storing documents, etc. and matters related to the response to information security incidents, etc. MHC Group companies shall establish and manage their own internal regulations, etc.

#### [Information Disclosure System]

- (1) The Group shall establish internal rules for appropriately disclosing information regarding decisions and occurrences concerning the Group in a timely manner, in accordance with accounting standards and other relevant laws and regulations. The Group companies shall cooperate with MHC as necessary.
- (2) MHC shall establish a Disclosure Committee for deliberating on the appropriateness of information disclosures regarding the Group and the effectiveness of internal controls and procedures related to information disclosures, among other matters.

#### [Internal Audit System]

- (1) MHC shall establish internal rules to smoothly and effectively promote audit activities by clarifying procedures for planning, implementing, and reporting internal audits and providing instructions for improvement within the Group.
- (2) MHC shall establish the Internal Audit Department as a department in charge of internal audits. The Internal Audit Department shall systematically implement internal audits related to the Group based on an annual audit plan and

report the audit results to the Representative Directors, Board of Directors, and Audit & Supervisory Committee. With regard to findings that require improvement, for which guidance was provided to the departments subject to audits (important findings), those departments, after taking improvement measures, are made to report the results to the General Manager of the Internal Audit Department. The results for important findings are to be reported by the Internal Audit Department to the Representative Directors, in order to ensure the effectiveness of the audit.

- (3) The General Manager of the Internal Audit Department of MHC shall build collaborative relationships with MHC's Audit & Supervisory Committee, and the auditors, accounting auditors, etc. of the Group companies on a regular basis and as necessary, such as by exchanging relevant information with them, and shall work to ensure the efficient implementation of the audit.

[Framework for Ensuring the Efficient Execution of Duties]

- (1) MHC shall set management targets for the Group and draw up management plans to manage business based on appropriate manners. The Group companies shall conduct business management based on appropriate manners, based on the Group's management targets and management plans.
- (2) MHC shall establish the Executive Committee, a body which will deliberate and decide on important matters, and the Board of Directors shall delegate the business execution decisions to the Executive Committee in an appropriate manner. The Executive Committee will hold discussions and make decisions on important matters, including the business management of the Group, in addition to conducting preliminary deliberations of matters that are to be submitted to the Board of Directors to facilitate decision-making by the Board of Directors. In addition, various committees shall be established as advisory bodies to the Executive Committee.
- (3) In order to efficiently conduct the execution of duties based on the decisions of the Board of Directors, MHC shall build an organizational structure, etc., in accordance with the internal rules, and shall assign the execution of duties. The Group companies shall provide appropriate cooperation such as reports to and consultations with MHC on necessary matters pursuant to the internal rules.

[Other Matters Related to the Execution of Duties by Directors]

(Framework for ensuring that the execution of duties by Directors complies with laws, regulations, and the articles of incorporation, framework for retention and management of information, and framework for reports to MHC of matters related to the execution of duties by subsidiaries' directors)

- (1) MHC shall establish the Executive Committee to deliberate and decide on important management matters. The Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee shall attend the meeting and confirm the details of the deliberation.
- (2) MHC shall clearly define the authority and responsibilities of the Board of Directors and Directors regarding material decision-making matters including compliance management, as well as matters decided at the discretion of the Board of Directors.
- (3) Board of Directors shall receive and confirm reports of material information related to the execution of duties by Executive Directors, and utilize an internal whistleblowing system through reports made at the Compliance Committee, etc.
- (4) MHC shall retain and manage material documents and other data related to the execution of duties by Directors pursuant to the provisions of the internal rules.
- (5) MHC shall request application for prior approval or consultation, provision of reports, etc. regarding matters related to the execution of duties by directors of the Group companies pursuant to the provisions of the internal rules.

[Framework Concerning Employees who Assist with Duties of the Audit & Supervisory Committee]

- (1) MHC shall establish an Audit & Supervisory Committee Office to assist with duties of the Audit & Supervisory Committee.
- (2) MHC shall allocate employees to assist with duties of the Audit & Supervisory Committee to the Audit & Supervisory Committee Office.
- (3) The above employees shall not be subject to the directions and instructions of Directors excluding Directors who are Audit & Supervisory Committee Members.
- (4) When implementing personnel transfers or disciplinary action for the above employees, the consent of the Audit & Supervisory Committee shall be obtained. When determining performance evaluation, remuneration, etc. for those employees, the consent of the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee shall be obtained.
- (5) Executive Directors shall cooperate in developing working environments and other relevant conditions so that the above employees can assist with duties of the Audit & Supervisory Committee smoothly.

[Framework for reporting to the Audit & Supervisory Committee]

- (1) Directors, Executive Officers and other relevant executives, and employees must report the following matters without delay to the Audit & Supervisory Committee or the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee:
  - ① when they discover any facts that are likely to cause significant damage (including loss of credit) to MHC or when significant damage occurs, they shall immediately report to that effect (including matters concerning material lawsuits);
  - ② the status of whistleblowing through an internal whistleblowing system developed by Directors;
  - ③ the status of management concerning elimination of transactions, and blocking of relationships, with anti-social forces; and
  - ④ other matters that the Audit & Supervisory Committee requests to be reported.
- (2) Directors, auditors, and employees of subsidiaries or persons who receive reports from any of those persons must report to the Audit & Supervisory Committee or the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee without delay, if any of the matters set forth in the preceding paragraph occurs.
- (3) Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee shall cooperate closely with the auditors of Group companies and other relevant persons, through right means such as exchanging information necessary for the execution of duties.
- (4) If required by the Audit & Supervisory Committee, Directors, Executive Officers and other relevant executives and employees must attend the Audit & Supervisory Committee meeting and explain matters with necessary materials. In addition, they have a similar duty to explain if required by the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee.
- (5) MHC shall not treat the persons who have made the reports under (1) to the Audit & Supervisory Committee or any Audit & Supervisory Committee Members disadvantageously, just because they made those reports.

[Matters Concerning Policies Regarding the Expenses or Liabilities Arising from the Execution of Duties by the Audit & Supervisory Committee Members]

- (1) The Audit & Supervisory Committee Office shall promptly process expenses or liabilities when each Audit & Supervisory Committee Member makes requests with respect to the prepayment of expenses and other payments, except in cases where such requested expenses or liabilities are deemed to be clearly unnecessary for the execution of the duties of an Audit & Supervisory Committee Member.

[Other Frameworks for ensuring Effective Audits by MHC's Audit & Supervisory Committee Members]

- (1) The Audit & Supervisory Committee should create an opportunity to conduct interviews regularly with Directors, Executive Officers, and employees concerning the business, and regularly exchange opinions with each of them.
- (2) The Audit & Supervisory Committee may request opinions from lawyers, the Accounting Auditor, etc. as necessary, for cases that require expertise.
- (3) The Audit & Supervisory Committee shall enhance the effectiveness of audits by receiving an audit plan and an audit implementation report from the Accounting Auditor and regularly exchanging opinions with them, as well as collecting information and improving the audit environment in collaboration with the Internal Audit Department and other departments responsible for internal control.
- (4) An employee who is selected by the Audit & Supervisory Committee to assist the duties of an Audit & Supervisory Committee Member and the duties of the Audit & Supervisory Committee may attend the Executive Committee, committees and other important meetings and make necessary statements at such places, and view important documents.
- (5) An Audit & Supervisory Committee Member selected by the Audit & Supervisory Committee should request that MHC and its subsidiaries report on its business, or investigate the situation of the duties and properties, and MHC and its subsidiaries should cooperate with this.
- (6) The Internal Audit Department should make a report to the Audit & Supervisory Committee regarding the internal audit plan, internal audit result, and the amendment and abolition of the important rules related to internal audit, and should respond to requests by the Audit & Supervisory Committee in relation to information provision, investigation, and report.
- (7) Directors, Executive Officers, and employees should provide the necessary cooperation for the execution of duties of the Audit & Supervisory Committee, based on the Audit & Supervisory Committee Regulations, standards for audit, etc. of the Audit & Supervisory Committee, and standards for the Audit & Supervisory Committee to conduct an audit regarding an internal control system.

## 2. Basic Views on Eliminating Anti-social Forces and Status of Measures

### (1) Basic Views against Anti-social Forces

The Group has established a basic policy on anti-social elements, with the aim of securing social order and maintaining public trust. With all officers and employees abiding by these policies, we shall keep off and refuse any connection with anti-social elements.

### (2) Status of Implementation of Measures to Eliminate Anti-social Forces

#### ① Implementation of internal rules

The Group defines the elimination of anti-social forces in the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct and follows the specific details thereof in the internal rules.

#### ② Division in Charge of Handling Anti-social Forces and Persons Responsible for Preventing Unfair Demands

The Group has established a division in charge of handling anti-social forces, and oversees the handling of anti-social forces while collecting and managing information concerning anti-social forces in a centralized manner. Also, persons responsible for preventing unfair demands are allocated to the head office and each office in order to take a resolute stance against unfair demands from anti-social forces.

#### ③ Specific Initiatives to Eliminate Anti-social Forces

- (a) The Group confirms information about anti-social forces at the time of transactions and on a regular basis.
- (b) Anti-social forces elimination clauses are included in agreements and the terms and conditions of transactions.
- (c) The Group works closely with outside expert organizations to handle anti-social forces, such as through consultations with the police and lawyers, etc., as necessary.

#### ④ Implementation of Training Activities

The Group conducts training activities regularly, positioning the handling of anti-social forces as a critical compliance matter.

### (Links)

- Mitsubishi HC Capital Group Code of Ethics  
[https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/varioues\\_policies/ethics.pdf](https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/varioues_policies/ethics.pdf)
- Basic Policy on Anti-social Elements  
[https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/varioues\\_policies/antisocial.pdf](https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/varioues_policies/antisocial.pdf)

## 1. Adoption of Anti-takeover Measures

Adoption of Anti-takeover Measures	Not adopted
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Supplementary Explanation

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## 2. Other Matters Concerning Corporate Governance Framework, etc.

### ■ Corporate Governance Framework including the Overview of the Internal Control System

Please refer to the figure on the next page.

### ■ Overview of the Information Disclosure System

MHC stipulates in its information disclosure policy that it strives to conduct proactive and continuous information disclosure in order to be trusted and properly evaluated by its diverse stakeholders including shareholders and investors. MHC's information disclosure policy is released on its website.

[https://www.mitsubishi-hc-capital.com/english/sustainability/various\\_policies.html](https://www.mitsubishi-hc-capital.com/english/sustainability/various_policies.html)

MHC strives to promptly disclose material information concerning MHC and each Group company, while ensuring the accuracy of the details of the disclosure, and discloses material information in a timely and appropriate manner under the following framework.

MHC also strives to prevent insider trading by appropriately and carefully managing insider information based on internal rules.

#### (1) Internal Rules Regarding Timely Disclosure

MHC has stipulated the Information Disclosure Rules in order to disclose information related to company decisions made or facts of occurrences concerning the Group in a timely and appropriate manner based on the Financial Instruments and Exchange Act, Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc., and the Timely Disclosure Rules established by stock exchanges. Timely disclosure standards and timely disclosure processes are specified in the Information Disclosure Rules.

#### (2) Responsible Department

With regard to information concerning material decisions or occurrence of facts, financial results information, and the like (hereinafter "material information"), the person in charge of management of the division managing such information will report to the department in charge of disclosure. In addition, material information in group companies is reported by the person in charge of management of the department managing the relevant group companies.

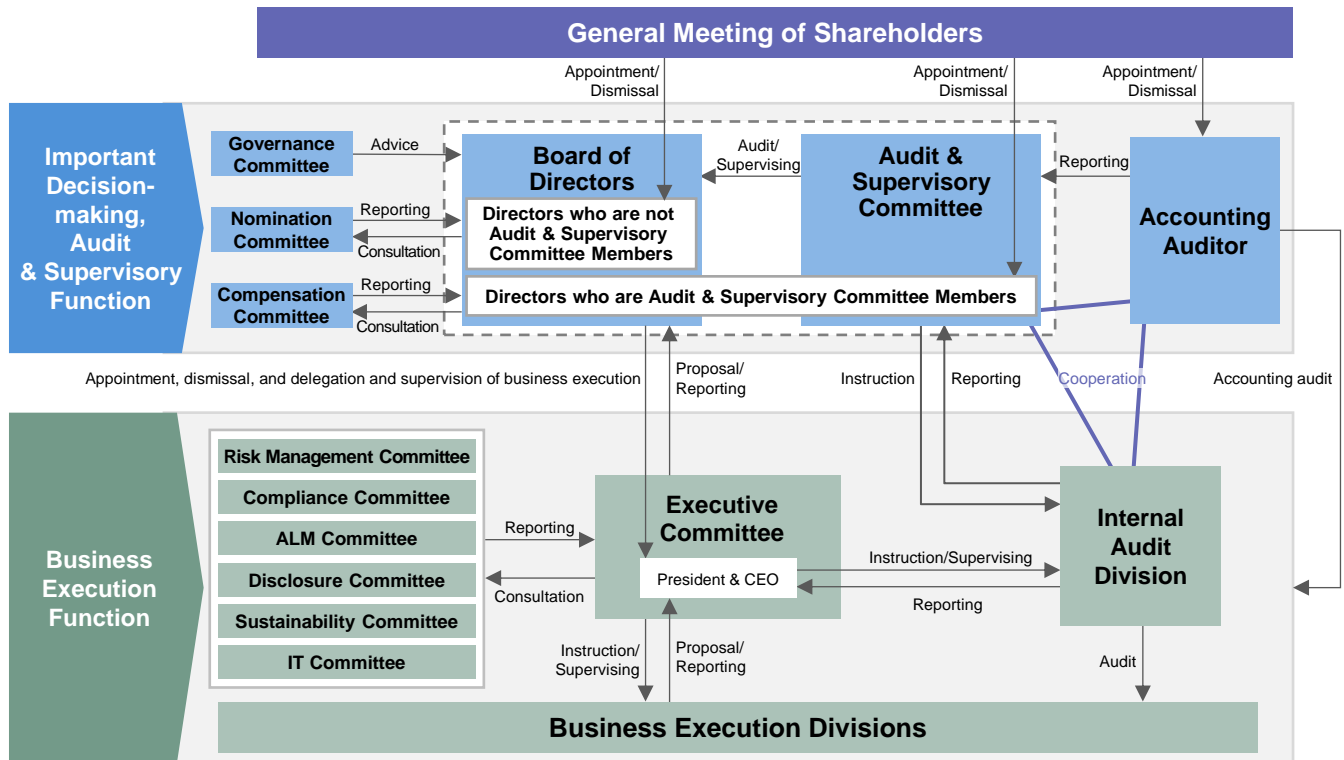
The department in charge of disclosure shall promptly disclose information in a timely manner based on the internal rules.

#### (3) Disclosure Committee

MHC established the Disclosure Committee as an advisory body to the Executive Committee for discussing the appropriateness of disclosed information and the effectiveness of internal control and procedures concerning information disclosure.

The Disclosure Committee, of which the chairperson is the Head of the Treasury & Accounting Division, is held four times a year in principle and what is discussed there is reported to the Executive Committee.





## [Efforts on Each Principle of the Corporate Governance Code]

For pages and links to information on the principles stipulated in the Corporate Governance Code, please refer to the [List of Disclosures Based on Corporate Governance Code] on page 58.

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## I Basic Management Policy, Management Plan

### I-1 Basic Management Policy (Our Mission, Our Vision, and Action Principles), Materiality (Principle 3.1 (i))

MHC has established the Basic Management Policy (Our Mission, Our Vision, and Action Principles) as follows:

#### [Basic Management Policy]

##### <Our Mission> ~Our long-term goal~

Contribute to a prosperous and sustainable future by creating social value through maximizing the potential of assets.

##### <Our Vision> ~Objectives to achieve our long-term goal~

- Solve social issues by developing unique and progressive businesses with consideration for the global environment.
- Aim for sustainable growth through value co-creation with diverse stakeholders across the globe.
- Enhance corporate value by evolving our business model through utilizing digital technology and data.
- Foster an "open, creative and engaging" corporate culture that shapes each and every employee's motivation and pride.
- Aim to be a trusted company by complying with laws and regulations, as well as implementing ethical corporate management.

##### <Action Principles> ~Values and mindset to be held and actions to be taken by each and every employee~

- Challenge: Challenge ourselves to look forward to the future with a sense of responsibility and commitment.
- Digital: Drive digital innovation and expertise.
- Communication: Communicate openly and honestly to build mutual understanding and trust.
- Diversity: Embrace diversity and respect each other.
- Sustainability: Act in harmony with people, society and the earth to create a sustainable world.
- Integrity: Maintain the highest standards of ethics and integrity.

#### [Materiality]
















MHC has identified the following six materiality issues as priority key challenges which must be addressed to achieve the sustainable development of the Group. The Basic Sustainability Policy consists of and integrates "Our Mission," "Our Vision," and the materiality. In light of the significance of these materiality issues, the Group will proceed with effective management and business activities aimed at solving the issues such as by proceeding with the reduction of greenhouse gas emissions across the entire supply chain towards achieving a decarbonized society and eliminating the risk of human rights violation by using a human rights due diligence system.

##### <Materiality of Mitsubishi HC Capital Group>

- 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

Please refer to MHC's website for details of our efforts on materiality.

<https://www.mitsubishi-hc-capital.com/english/sustainability/materiality.html>

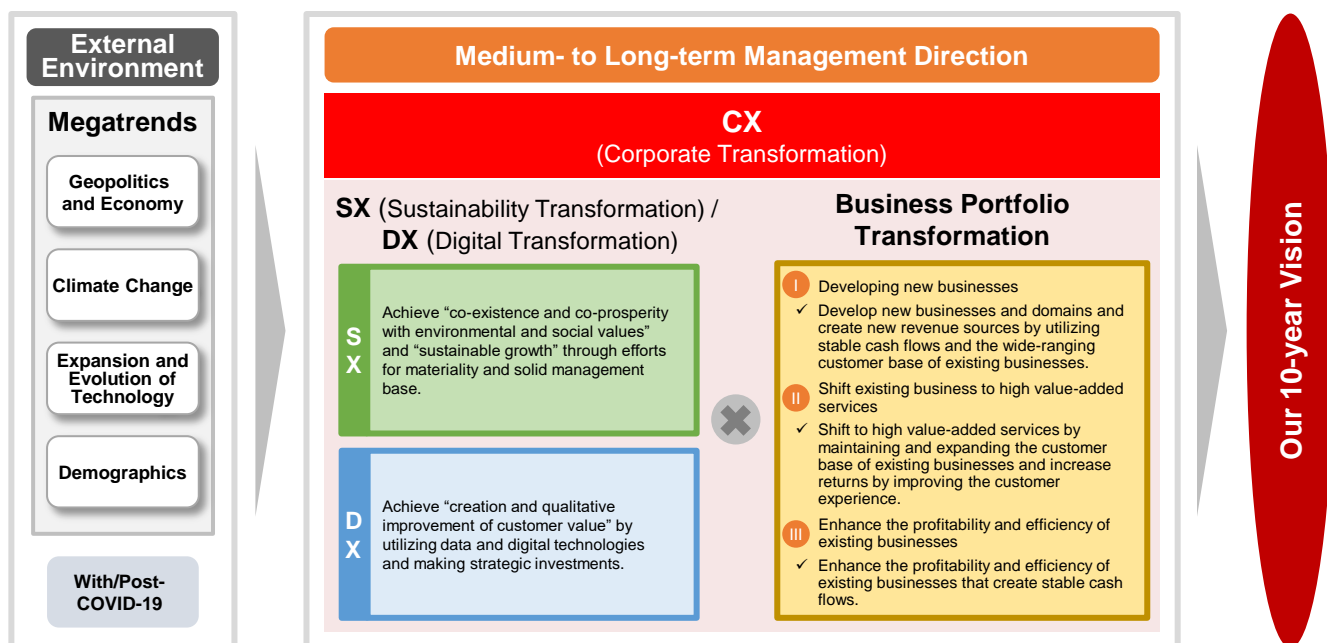
Materiality	Why the Group Treats as Highly Material Challenges	Related SDGs
Promote a Decarbonized Society	<ul style="list-style-type: none"> <li>Efforts to realize a decarbonized society have been globally recognized as an urgent issue and the Group can significantly contribute to solving this challenge through its services and solutions, such as renewable energy investment and EV promotion.</li> <li>It is quite a few impact on but is significant for the Group to distinct its business from the business not solving social issues.</li> </ul>	 
Realize the Circular Economy	<ul style="list-style-type: none"> <li>The Group aims to contribute to creating a circular economy by reducing waste, not only in the Group but also within society through maximizing the potential of assets as a leading leader in the leasing industry. The Group treats this challenge as material.</li> <li>The Group can also contribute to realizing a sustainable and prosperous society through strengthening the collaboration between partners.</li> </ul>	   
Establish Resilient Social Infrastructure	<ul style="list-style-type: none"> <li>Large parts of the infrastructure within Japan needs to be repaired. The Group also recognizes the business has huge potential opportunities to support the development of infrastructure in overseas countries with active collaboration between various partners and create a smart city.</li> <li>The Group will contribute to the business being diversified, enhanced and efficient through establishing the system and providing services for supporting the collaboration of various companies.</li> </ul>	 
Realize Healthy Lifestyles that Promote Positive Wellbeing	<ul style="list-style-type: none"> <li>It is vital for its stakeholders that the Group recognizes the importance of health, safety, mental and physical wellbeing for realizing the prosperous future.</li> <li>Valuable human resources are key. Personal development and attraction and retention of talent is significant for the Group members.</li> </ul>	  
Create Businesses Utilizing the Latest Technologies	<ul style="list-style-type: none"> <li>Both financing for the purpose of digital transformation of customers and providing solution by internal and external digital technologies urge to develop new business models.</li> <li>Including establishing supply chain with utilizing with new alternative energies, the Group identifies material one as the opportunity.</li> </ul>	 
Collaborate with Partners Locally and Globally	<ul style="list-style-type: none"> <li>Social issues differ by countries and regions. It is significant that the Group aims to solve these issues by collaborating with local partners to ensure the Group is meeting individual needs through local community-based communication.</li> <li>The Group can realize mutual benefits in developing society by utilizing the integrated capability in the Group.</li> </ul>	 

## I-2 Medium-to Long-term Management Direction (Principle 3.1 (i))

In May 2022, MHC established Our 10-year Vision, “Together we innovate, challenge and explore the frontiers of the future,” as a milestone to achieve our long-term goal, Our Mission. It is positioned as a compass to navigate ourselves to achieve Our Mission over the course of the three Medium-term Management Plans (“hop,” “step,” and “jump”).

It has also formulated the following Medium-to Long-term Management Direction toward achieving Our 10-year Vision.

MHC will promote CX (Corporate Transformation) by organically combining SX (Sustainability Transformation), and DX (Digital Transformation) through efforts for materiality, utilization of data and digital technologies, and so on, and a business portfolio transformation for achieving the optimum portfolio.



Please refer to MHC's website for details of the Medium- to long-term Management Direction

<https://www.mitsubishi-hc-capital.com/corporate/direction/index.html>

### I-3 Value Creation Process, Medium-term Management Plan (Principle 3.1 (i))

MHC refined its Value Creation Process that describes how our Group creates value for each stakeholder, and formulated the Medium-term Management Plan targeting the three-year period from FY2023 to FY2025 (hereinafter "2025 MTMP"). The 2025 MTMP is positioned as the "hop" plan of our three Medium-term Management Plans (the "hop," "step," and "jump") toward Our 10-year Vision.

Please refer to MHC's website for details of the 2025 MTMP.

[Medium-term Management Plan | Mitsubishi HC Capital \(mitsubishi-hc-capital.com\)](https://www.mitsubishi-hc-capital.com/investors2/library/various-reports/index.html)

Please refer to Progress of 2025 MTMP - as of the Time of the Financial Results Briefing for FYE3/2025 on our website for the progress of the 2025 MTMP.

[https://www.mitsubishi-hc-capital.com/pdf/english/investors/mp\\_en\\_2025-2025.pdf](https://www.mitsubishi-hc-capital.com/pdf/english/investors/mp_en_2025-2025.pdf)

Please refer to pages 19 to 22 of the Integrated Report 2024 for MHC's value creation process.

<https://www.mitsubishi-hc-capital.com/investors2/library/various-reports/index.html>

### I-4 Basic Views and Policies on Corporate Governance (Principle 3.1 (ii))

(Repost of page 1)

While emphasizing initiatives to achieve sustainable corporate growth and improvement in corporate value over the medium to long term, MHC aspires to contribute to a more prosperous society by respecting the rights and interests of all of its stakeholders—shareholders, customers, local communities, and employees—and fulfilling their trust in the Company, based on the views presented below.

With the recognition that it is one of its social responsibilities to ensure transparent and sound management, MHC continues to work on initiatives to enhance corporate governance by boosting the activity of the Board of Directors, reinforcing the Audit & Supervisory Committee and the internal audit system, ensuring timely and appropriate disclosures of information, and actively engaging in investor relations (IR) and other activities.

#### (1) Fostering Sound Corporate Culture

In accordance with Our Vision, which guides all of MHC's activities, and the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct, which serves as the standard for the decisions and behaviors of all employees, MHC strives to understand

the diversity of its various stakeholders including shareholders, customers, local communities, and employees and foster a corporate culture that respects their rights and perspectives and sound business activities.

## **(2) Ensuring Appropriate Information Disclosure and Transparency**

MHC conducts proactive and continuous information disclosure in order to be trusted and properly evaluated by each of its stakeholders. It also establishes and appropriately operates internal systems to facilitate the swift and impartial disclosure of accurate information regarding its management policies, business strategies, business activities, financial condition, etc. In addition to the items, MHC is required to disclose pursuant to laws and regulations, it actively and voluntarily discloses non-financial information deemed useful to its stakeholders.

## **(3) Ensuring the Rights and Equal Treatment of Shareholders**

MHC takes appropriate steps to ensure that the rights of shareholders are secured and can be exercised effectively and all shareholders including minority shareholders and foreign shareholders are treated equally.

## **(4) Constructive Dialogue with Shareholders**

Through events such as General Shareholders Meetings, financial results briefings, and other domestic and overseas investor relations events, MHC pursues proactive and constructive dialogue with diverse shareholders. It thereby seeks to gain understanding from shareholders regarding matters such as its business strategies and further enhance corporate governance through dialogue.

## **(5) Ensuring Effectiveness of the Board of Directors**

All members of the Board of Directors call upon their experience and insight as they engage in free and open discussions, supporting appropriate risk-taking. In this manner, they adequately fulfill their duties and responsibilities to achieve the sustainable growth of MHC, improvement in its corporate value over the medium to long term, enhancement of its capital efficiency and other figures, etc.

# **II Structure and Effectiveness of the Board of Directors**

## **II-1 Scope of Delegation to Management (Supplementary Principle 4.1.1)**

As a company with an Audit & Supervisory Committee, MHC delegates business execution decisions to the Executive Committee, —a body which will deliberate and decide on important management matters—within an appropriate scope, and expedites the decision-making process, in order to further strengthen the supervisory functions of the Board of Directors. In addition, MHC has adopted an executive officer system, in order to further enhance and invigorate the functions of the Board of Directors by clarifying the responsibilities related to the execution of business.

The Executive Committee is composed of the President & CEO, Deputy Presidents, and Executive Officers separately specified by the President & CEO. In principle, the committee deliberates on matters to be submitted to the Board of Directors in advance in order to facilitate decision-making by the Board of Directors, in addition to holding deliberations and making decisions on important matters, including the business management of the Group.

## **II-2 Views on the Appropriate Balance of Knowledge, Experience and Skills, Diversity, and Size of the Board of Directors as a Whole (Supplementary Principle 4.11.1)**

MHC has selected nine skills that the Board of Directors should possess: “corporate management,” “finance,” “global,” “sustainability,” “sales/marketing,” “IT/DX,” “finance/accounting,” “risk management/legal affairs,” and “human resource management.” It recognizes that the skills the Board of Directors shall possess must be reviewed regularly based on its management strategies and environment, and thus it will continue to consider this issue at Governance Committee and Nomination Committee meetings.

MHC also recognizes that diversity at the Board of Directors in terms of gender, nationality, race, etc. is important, and proactively works on strengthening the function of the Board of Directors by enhancing diversity.

In determining an appropriate composition of the Board of Directors, MHC believes, as a desirable way of achieving diversity within MHC, that it is necessary to elect desirable persons in consideration of gender, nationality, race, etc., making it a top priority that Directors can demonstrate the necessary skills and abilities in light of the respective management environment.

Currently, it is assumed that MHC’s Board of Directors consists of Directors from a variety of business categories and industries, and has an appropriate number of members to ensure a balanced composition of appropriate skills and diversity.

Although no foreign Director has currently been elected, MHC acknowledges that the Board of Directors has been performing a supervisory function, as it has elected several Directors who possess a wealth of international business experience, and has received valuable opinions on global business development.

#### [Change in the Ratios of the Board of Directors]

	Number of Directors	Non-executive Directors	Independent Outside Directors
April 2021	15	53%	33%
June 30, 2021	15	60%	33%
June 30, 2022	14	57%	36%
June 30, 2023 and beyond	12	67%	42%

#### [Revision of the Skills That the Board of Directors Should Possess]

The MHC Group has established Our 10-year Vision (“Together we innovate, challenge and explore the frontiers of the future”) as a milestone toward the realization of its management philosophy. In working toward achieving this vision, we have revised the skills that the Board of Directors should possess, at the meeting held in April 2025, following the deliberation at the Governance Committee and the Nomination Committee.

We have selected the following nine skill items from the perspective of the three categories, overall management, revenue growth, strengthening corporate functions. Refer to the table below for the reasons for the selection and the skills of each Director.

#### [Reasons for Selection of the Skills]

Category	Skill	Reason for Selection
Matters Related to Overall Management	Corporate Management	<ul style="list-style-type: none"> <li>➤ Achieving Our 10-Year Vision, which serves as a milestone toward realizing the Company’s management philosophy, requires accurately identifying materiality (material issues) and addressing them through management initiatives. To that end, we believe it is essential to have the ability to boldly drive company-wide transformation, including SX(*1), DX(*2), and business portfolio transformation, as well as the ability to oversee these initiatives. We also believe it is essential to have the ability to build and promote systems that support sound corporate management rooted in compliance, as well as the ability to oversee these activities.</li> </ul> <p>(*1) Sustainability Transformation (*2) Digital Transformation</p>
	Finance	<ul style="list-style-type: none"> <li>➤ We believe it is essential to have a deep understanding of the Company’s business as a financial services provider, as well as deep insight into domestic and international finance, and the ability to apply that expertise to the promotion and oversight of the Company’s management and business strategies.</li> </ul>
	Global	<ul style="list-style-type: none"> <li>➤ The Company operates a wide range of businesses globally, and we believe it is essential to have deep insight into global business, including cross-cultural and geopolitical considerations, as well as the ability to apply that insight to the promotion and oversight of management.</li> </ul>
	Sustainability	<ul style="list-style-type: none"> <li>➤ We believe it is essential to have the ability to promote and oversee sustainability management that balances the resolution of social issues with the sustainable enhancement of corporate value.</li> </ul>
Matters Related to Revenue Growth	Sales/Marketing	<ul style="list-style-type: none"> <li>➤ To strengthen earning power through a shift to high value-added businesses and the development of new businesses, we believe it is essential to have the ability to leverage sales and marketing capabilities to build and promote business strategies such as the evolution and layering of business models, as well as the ability to oversee these activities.</li> </ul>



<b>Matters Related to Strengthening Corporate Functions</b>	<b>IT/DX</b>	➤ To realize the creation and enhancement of customer value through the use of data and digital technologies, we believe it is essential to have the ability to apply advanced knowledge of IT and digital transformation (DX) to management and its oversight.
	<b>Finance/Accounting</b>	➤ We believe that advanced expertise in accounting is essential to support the Company's globally developed business through effective management and oversight. Furthermore, to achieve sustainable growth, we believe it is essential to have the ability to promote and oversee a financial strategy that balances the three key elements of "financial soundness," "return on capital," and "growth potential."
	<b>Risk Management/Legal Affairs</b>	➤ We believe it is essential to have the ability to build and promote a risk management framework that supports growth strategies through enhanced risk control, as well as the ability to oversee these activities. Furthermore, we believe that advanced expertise in legal affairs is essential to identify key risks in business activities from a legal perspective and to apply that insight to management and its oversight.
	<b>Human Resource Management</b>	➤ We believe it is essential to have the ability to build and promote a human resources strategy that secures, develops, and utilizes talent in order to fulfill a "talent portfolio" that supports management strategy and to create a workplace that is both comfortable and motivating. This includes the ability to oversee such activities.

**[Skills That Should be Possessed by the Board of Directors (Skill Matrix)]**

Name	Position	Matters Related to Overall Management				Matters Related to Revenue Growth	Matters Related to Strengthening Corporate Functions			
		Corporate Management	Finance	Global	Sustainability	Sales/Marketing	IT/DX	Finance/Accounting	Risk Management/Legal Affairs	Human Resource Management
Takahiro Yanai	Director, Chairman	○	○	○	○	○		○	○	○
Taiju Hisai	Representative Director, President & CEO	○	○	○	○	○		○	○	○
Aiichiro Matsunaga	Representative Director, Deputy President	○	○	○	○	○			○	○
Kazumi Anei	Director, Deputy President	○	○	○	○	○				
Haruhiko Sato	Director, Managing Executive Officer	○	○	○	○			○		
Yuri Sasaki	Director (Outside Director) (Independent Director)		○							
Kayoko Kawamura	Director (Outside Director) (Independent Director)					○	○			
Shota Kondo	Director (Outside Director)	○		○	○	○				



Yoshitaka Shiba	Director, Audit & Supervisory Committee Member	○	○			○		○	○	
Hiroyasu Nakata	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)								○	
Hiroko Kaneko	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)							○	○	
Masayuki Saito	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	○		○	○			○	○	○

## II-3 Overview of Each Organization, Status of Activities, etc.

### 1. Matters Concerning the Board of Directors

MHC implements a system to manage and operate business in line with the basic policy of the MHC Group decided by the Board of Directors. Each Director who participates in Board of Directors meetings has qualities appropriate for their positions, giving the Board of Directors a set of diversified and sufficient skills.

In addition, for timely, appropriate, and smooth provision of information particularly to Outside Directors, the General Affairs Department serves as the secretariat for the Board of Directors, and the Audit & Supervisory Committee Office has been established to assist the duties of Directors who are Audit & Supervisory Committee Members.

MHC is engaged in initiatives for stimulating discussions on important agenda items, such as (1) providing prior explanations, (2) having several times of deliberations at Board of Directors meetings, and (3) regularly confirming the progress of the items after decisions are made.

Each year, all Directors conduct a review of activities of the Board of Directors and evaluate its effectiveness. In addition, discussions attended only by independent Outside Directors and meetings for independent Outside Directors to exchange opinions with the Chairman and the President & CEO are held regularly, and in the event that an issue, etc. is raised there, it will be appropriately responded to and improved.

### 2. Matters Concerning the Governance Committee, Nomination Committee, and Compensation Committee

MHC has established the Governance Committee, consisting of the Outside Directors, Representative Directors, etc., which exchanges a wide range of opinions on the improvement of the Board of Directors' effectiveness and other matters regarding the Board of Directors, in order to work on the improvement of the soundness, transparency, and fairness of management.

MHC has also established the Nomination Committee and Compensation Committee, of which independent Outside Directors comprise the majority, as advisory bodies to the Board of Directors. The members and chairperson of each committee shall be selected by the Board of Directors, and items discussed in the committees shall be resolved by a majority of committee members in attendance. It is stipulated in internal rules that the Board of Directors shall make decisions in deference to decisions made by the committees to the fullest extent possible. In addition, from the perspective of enhancing the independence and objectivity of the functions of the Board of Directors and its accountability, since April 1, 2025, MHC has assigned independent Outside Directors as the chairpersons of the committees.

Please refer to II-1. [Voluntary Establishment of Committees] (page 11) of this report for the overview of each committee.

### 3. Matters Concerning Business Execution

As a company with an Audit & Supervisory Committee, MHC delegates business execution decisions to the Executive Committee, a body which will deliberate and decide on important management matters, within an appropriate scope, and expedites the decision-making process, in order to further strengthen the supervisory functions of the Board of Directors. In addition, MHC has adopted an executive officer system, in order to further enhance and invigorate the functions of the Board of Directors by clarifying the responsibilities related to the execution of business.

The Executive Committee is composed of the President & CEO, Deputy Presidents, and Executive Officers separately specified by the President & CEO. In principle, the committee deliberates on matters to be submitted to the Board of Directors

in advance in order to facilitate decision-making by the Board of Directors, in addition to holding deliberations and making decisions on important matters, including the business management of the Group.

#### 4. Status of Audits

##### (1) Department in Charge of Internal Audits

MHC has established the Internal Audit Department as a department in charge of internal audits. In order to ensure independence and objectiveness, the Internal Audit Department adopts a structure under which its members do not concurrently perform the operations of business execution divisions.

The Internal Audit Department systematically implements internal audits based on an annual audit plan, and reports the audit results to the Representative Directors, the Board of Directors, and the Audit & Supervisory Committee.

With regard to findings that require improvement, for which guidance was provided to the divisions subject to audits (important findings), those divisions are to report the results of improvement to the General Manager of the Internal Audit Department, and the Internal Audit Department reports the important findings to Representative Directors, in order to ensure the effectiveness of the audit.

In addition, the General Manager of the Internal Audit Department builds collaborative relationships with MHC's Audit & Supervisory Committee, and the auditors, accounting auditors, etc. of Group companies, on a regular basis and as necessary, such as by exchanging relevant information with them, and works to ensure the efficient implementation of the audit.

##### (2) Audit & Supervisory Committee

The Audit & Supervisory Committee comprises a total of four persons, including one Director and three independent Outside Directors.

Through the following activities, the Audit & Supervisory Committee works to conduct objective and effective audits from an independent position.

Major Audit & Supervisory Committee Activities	
Deliberations, etc. among the Audit & Supervisory Committee	<ul style="list-style-type: none"> <li>■ Formulation of audit policies, audit plans, and priority audit items for the year</li> <li>■ Reporting on business execution by business execution divisions</li> <li>■ Matters related to business reporting, financial results documents, etc.</li> <li>■ Reporting on the Accounting Auditor's audit plans, the status of audits, and audit results</li> <li>■ Reporting on the Internal Audit Department's audit plans, the status of audits, and audit results</li> </ul>
On-site observations of offices in Japan and overseas	<ul style="list-style-type: none"> <li>■ On-site observations of offices of MHC and its Group companies in Japan and overseas</li> </ul>
Meetings with the management team	<ul style="list-style-type: none"> <li>■ Regular opinion exchanges with Representative Directors, Heads of business divisions, and Heads of Corporate Center divisions</li> <li>■ Opinion exchanges with Group companies' management members</li> </ul>

The major activities of the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee are as follows. The results of these activities are reported to the Audit & Supervisory Committee, or shared with other Audit & Supervisory Committee Members, increasing the effectiveness of the Audit & Supervisory Committee's activities.

Major Activities of the Audit & Supervisory Committee Members Selected by the Audit & Supervisory Committee	
Attendance at meetings	<ul style="list-style-type: none"> <li>■ Attendance at Executive Committee meetings and other committee meetings held by business execution divisions, information collection, etc.</li> </ul>
On-site audits and observations of offices in Japan and overseas	<ul style="list-style-type: none"> <li>■ On-site audits and observations of offices of MHC and its Group companies in Japan and overseas, information collection, etc.</li> </ul>
Inspection of documents	<ul style="list-style-type: none"> <li>■ Inspection of important documents, examination of content</li> </ul>
Meetings with the management team	<ul style="list-style-type: none"> <li>■ Regular and ad-hoc meetings with Representative Directors, etc.</li> </ul>
Discussions with departments responsible for internal control functions	<ul style="list-style-type: none"> <li>■ Regular and ad-hoc meetings with accounting departments, risk management departments, and legal and compliance departments</li> </ul>
Discussions with Group company auditors, etc.	<ul style="list-style-type: none"> <li>■ Regular and ad-hoc meetings with auditors, etc. at domestic and overseas Group companies</li> </ul>
Discussions with the Accounting Auditor	<ul style="list-style-type: none"> <li>■ Regular and appropriate meetings with the Accounting Auditor</li> </ul>

The Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee collect wide-ranging information by attending major meetings, confirming important documents, and collaborating with the Internal Audit Department and internal control departments. They report on important matters to external Audit & Supervisory Committee Members, and for particularly important matters, they issue instructions for additional reporting to related parties to include such matters in agenda items for the Audit & Supervisory Committee.

The Audit & Supervisory Committee is enhancing the effectiveness of its activities by organically combining the independence of Audit & Supervisory Committee Members who serve as independent Outside Directors with the information gathering capabilities of the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee. Matters recognized through these activities are appropriately communicated to business execution divisions, and advice is given as necessary.

Audit & Supervisory Committee Members and Outside Directors who are not Audit & Supervisory Committee Members are able to collaborate as necessary through exchanging information at Board of Directors meetings and Governance Committee meetings, etc.

### **(3) Accounting Auditor**

Accounting audits are implemented by Deloitte Touche Tohmatsu LLC in collaboration with the Audit & Supervisory Committee and the Internal Audit Department, based on an audit agreement, and in conjunction with matters such as the provision of relevant information by the internal control departments.

The Company (then Diamond Lease Company Limited) concluded an audit agreement with Deloitte Touche Tohmatsu LLC (then Nishikata Audit Corporation) in 1980. Subsequently, after changing its trade name to Mitsubishi UFJ Lease & Finance Company Limited by merging with UFJ Central Leasing Co., Ltd. in April 2007, and to Mitsubishi HC Capital Inc. by merging with Hitachi Capital Corporation in April 2021, it has maintained the audit agreement with Deloitte Touche Tohmatsu LLC.

Certified public accountants that performed the accounting audit operations of MHC in fiscal year 2024 were Mr. Motohiro Shimizu, Mr. Masashi Tsurumi, and Mr. Masahiro Fujimori, who are Designated Limited Liability Partners and Engagement Partners of Deloitte Touche Tohmatsu LLC.

In addition, 18 certified public accountants and 39 other staff members were involved in the audit operations above, in assistant roles.

The Audit & Supervisory Committee establishes standards for appointing and evaluating the Accounting Auditor in consideration of the present status of MHC as it expands globally, and every fiscal year conducts evaluations of the Accounting Auditor based on these standards and makes a decision regarding the reappointment of the Accounting Auditor. The major standards used in appointments and evaluations are as follows.

- ① Independence of the Accounting Auditor
- ② Auditing ability
- ③ Quality management
- ④ Ability to handle a global network

**[List of Each Committee's Members]**

Name	Title	Board of Directors	Audit & Supervisory Committee	Governance Committee	Nomination Committee	Compensation Committee
Takahiro Yanai	Director, Chairman	◎		◎	○	
Taiju Hisai	Representative Director, President & CEO	○		○		○
Aiichiro Matsunaga	Representative Director, Deputy President	○		○		
Kazumi Anei	Director, Deputy President	○				
Haruhiko Sato	Director, Managing Executive Officer	○				
Yuri Sasaki	Director (Outside Director) (Independent Director)	○		○	○	○
Kayoko Kawamura	Director (Outside Director) (Independent Director)	○		○	○	○
Shota Kondo	Director (Outside Director)	○		○	○	○
Yoshitaka Shiba	Director, Audit & Supervisory Committee Member	○	◎	○		
Hiroyasu Nakata	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	○	○	○	○	◎
Hiroko Kaneko	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	○	○	○	○	○
Masayuki Saito	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	○	○	○	◎	○

(Notes) ◎: Chairperson, ○: Member

**[Status of Activities of the Board of Directors, Audit & Supervisory Committee, and Other Committees (Frequency of Meetings, Specific Discussion Items, Attendance of Directors and Committee Members)]**

**(1) Board of Directors**

The meetings were held 14 times in fiscal year 2024, where important management matters such as the Medium-term Management Plan, major investment projects, business strategies of each business division, and IR activities were deliberated and decided. In addition, the rationality of cross-shareholdings was verified. Furthermore, the status of audit is reported from the Audit & Supervisory Committee in a timely manner.

Important policies and other matters are deliberated at the Board of Directors meetings. The content of matters deliberated by the Executive Committee and its advisory committees regarding risk management, compliance, sustainability, etc. is regularly reported to the Board of Directors.

Attendance at the Board of Directors meetings by Directors in fiscal year 2024 was as follows:

14/14 times (100%)	Takahiro Yanai, Taiju Hisai, Kazumi Anei, Haruhiko Sato, Yuri Sasaki, Hiroyasu Nakata, Hiroko Kaneko, Masayuki Saito
11/11 times (100%)	Aiichiro Matsunaga, Kayoko Kawamura, Yoshitaka Shiba (Note 1)
10/11 times (91%)	Shota Kondo (Note 1)

(Note 1) Four Directors—Mr. Aiichiro Matsunaga, Ms. Kayoko Kawamura, Mr. Shota Kondo, and Mr. Yoshitaka Shiba—were appointed Directors at the Annual General Meeting of Shareholders held on June 25, 2024; therefore, the above shows their attendance after that date.

## (2) Audit & Supervisory Committee

Audit & Supervisory Committee meetings are held every month, in principle. Audit & Supervisory Committee meetings were held 15 times in fiscal year 2024, where the activities described in 4. “Status of Audits,” (2) “Audit & Supervisory Committee” (page 34) were conducted.

Attendance by Directors in fiscal year 2024 was as follows:

15/15 times (100%)	Hiroko Kaneko, Masayuki Saito
11/11 times (100%)	Yoshitaka Shiba, Hiroyasu Nakata (Note 2)

(Note 2) Two Directors—Mr. Yoshitaka Shiba and Mr. Hiroyasu Nakata—were appointed Directors (Audit & Supervisory Committee Members) at the Annual General Meeting of Shareholders held on June 25, 2024; therefore, the above shows their attendance after that date.

## (3) Governance Committee

Committee meetings were held nine times in fiscal year 2024, and conducted PDCA for effectiveness assessment by deliberating the manner of effectiveness assessment for the Board of Directors and the analysis of the assessment results. Also, various governance guidelines were comprehensively reviewed, issues at MHC were identified, and multifaceted discussions were held about the composition of the Board of Directors members, the expansion of the roles of Outside Directors, the improvement of the effectiveness of the Board of Directors, and other matters.

Attendance by Directors in fiscal year 2024 was as follows:

9/9 times (100%)	Takahiro Yanai, Taiju Hisai, Yuri Sasaki, Hiroyasu Nakata, Hiroko Kaneko, Masayuki Saito
7/7 times (100%)	Aiichiro Matsunaga, Kayoko Kawamura, Shota Kondo, Yoshitaka Shiba (Note 3)

(Note 3) Four Directors—Mr. Aiichiro Matsunaga, Ms. Kayoko Kawamura, Mr. Shota Kondo, and Mr. Yoshitaka Shiba—joined the Governance Committee on June 25, 2024; therefore, the above shows their attendance after that date.

## (4) Nomination Committee

Committee meetings were held six times in fiscal year 2024, which deliberated the reappointment of the President & CEO, the revision of skills that the Board of Directors should possess (skill matrix), etc.

Attendance by Directors in fiscal year 2024 was as follows:

6/6 times (100%)	Takahiro Yanai, Yuri Sasaki, Hiroyasu Nakata, Hiroko Kaneko, Masayuki Saito
4/4 times (100%)	Kayoko Kawamura, Shota Kondo (Note 4)

(Note 4) Two Directors—Ms. Kayoko Kawamura and Mr. Shota Kondo—joined the Nomination Committee on June 25, 2024; therefore, the above shows their attendance after that date.

## (5) Compensation Committee

Committee meetings were held five times in fiscal year 2024, which deliberated the policy, the system, and the level of officers’ remuneration, evaluation system for officers’ bonuses, and other matters.

Attendance by Directors in fiscal year 2024 was as follows:

5/5 times (100%)	Taiju Hisai, Yuri Sasaki, Hiroyasu Nakata, Hiroko Kaneko, Masayuki Saito
4/4 times (100%)	Kayoko Kawamura, Shota Kondo (Note 5)

(Note 5) Two Directors—Ms. Kayoko Kawamura and Mr. Shota Kondo—joined the Compensation Committee on June 25, 2024; therefore, the above shows their attendance after that date.

## II-4 Overview and Results of Analysis and Assessment of the Effectiveness of the Board of Directors (Supplementary Principle 4.11.3)

MHC has continued efforts to further improve the effectiveness of the Board of Directors based on the reviews and assessments conducted by all of the Directors at the Board of Directors throughout the year for the purpose of maintaining and enhancing the functions of the Board of Directors.

Major initiatives and an overview of the assessment of the effectiveness of the Board of Directors for fiscal 2024 are as follows:

### [Major Initiatives in Fiscal 2024]

Issues in FY2023	Response to Issues
Improving agenda items and the content of deliberations	<ul style="list-style-type: none"> <li>Strengthened timely and appropriate monitoring after important decisions were made (on investment projects, business development).</li> <li>Improved the quality of deliberations on risks related to both Company-wide and segment-specific businesses.</li> <li>Revitalized deliberations on important agenda items by flexibly allocating time for deliberations.</li> <li>Revitalized discussions by further utilizing the Governance Committee, etc. Based on various governance guideline, etc., issues at MHC were identified and discussed, such as the appointment of external chairpersons for the Nomination Committee and the Compensation Committee and the revision of the skills that the Board of Directors should possess.</li> </ul>
Enhancing communication	<ul style="list-style-type: none"> <li>Outside Directors visited domestic and overseas business sites.</li> <li>Held roundtable discussions and opinion exchange meetings attended only by independent Outside Directors.</li> <li>Held opinion exchange meetings between the Chairman and the President &amp; CEO and independent Outside Directors.</li> <li>Implemented an initiative to facilitate communication between management including Executive Officers and Outside Directors.</li> </ul>
Improving information provision system	<ul style="list-style-type: none"> <li>Continued the reporting of the current status of each unit and each business division.</li> <li>Continued the provision of business details explanations from the Head of each Corporate Center division to Outside Directors.</li> </ul>

### [Assessment of the Effectiveness of the Board of Directors in Fiscal 2024]

Assessment Method	<ul style="list-style-type: none"> <li>At the Governance Committee meeting held in October 2024, the method of assessing the effectiveness of the Board of Directors for fiscal year 2024 was discussed. For fiscal year 2025 as well, it was decided to conduct a questionnaire among all Directors regarding the effectiveness of the Board of Directors, Governance Committee, Nomination Committee, and Compensation Committee.</li> <li>The Governance Committee discussed the necessity of using a third-party organization, but it was reconfirmed that the questionnaire among all Directors would continue to be the most effective way to identify issues in consideration of MHC's actual situation. MHC's questionnaire items have been decided by the Governance Committee attended by independent Outside Directors, which we believe to be effective for conducting objective and appropriate reviews.</li> </ul>					
	Governance Committee			March 2025 Carried out the questionnaire among all Directors	Governance Committee	Board of Directors
	October 2024	February 2025	March 2025		April and May 2025	May 2025
	<ul style="list-style-type: none"> <li>Deliberated on the method of assessing effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>Decided the method of assessing effectiveness</li> <li>Deliberated on questionnaire items</li> </ul>	<ul style="list-style-type: none"> <li>Decided questionnaire items</li> </ul>		<ul style="list-style-type: none"> <li>Deliberated on issues and response measures based on analysis results of the questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>Summarized the results of assessing the effectiveness in fiscal year 2024</li> </ul>

<b>Results</b>	<p>The major results of the assessment above are shown below:</p> <ol style="list-style-type: none"> <li>① It was determined that MHC's Board of Directors is sufficiently performing its role. <ul style="list-style-type: none"> <li>➢ The standards for items to be submitted to the Board of Directors were revised and the frequency of committee reporting was optimized in October 2023. As a result, it became possible to allocate more time on deliberating important agenda items in fiscal year 2024, enabling deeper discussions contributing to improving corporate value and exercising sound supervisory functions.</li> <li>➢ Directors submitted various opinions and recommendations based on their specialized skills and expertise, which enabled organic discussions.</li> <li>➢ Effective improvement measures have been implemented to address the issues identified in the previous effectiveness assessment, such as the progress management after important decision-making, revitalizing deliberations on reports from the Audit &amp; Supervisory Committee, and the improvement of information provision systems including the access of Outside Directors to MHC's internal system environments.</li> </ul> </li> <li>② It was determined that MHC's Governance Committee, Nomination Committee, and Compensation Committee are sufficiently performing their roles. <ul style="list-style-type: none"> <li>➢ The Governance Committee comprehensively reviewed various governance guidelines and identified issues at MHC. Multifaceted discussions were held about the composition of the Board of Directors members, the expansion of the roles of Outside Directors, the improvement of the effectiveness of the Board of Directors, and other matters.</li> <li>➢ Multifaceted discussions were held by the Nomination Committee about the revision of skills that the Board of Directors should possess, and by the Compensation Committee about the policy, the system, the level, etc. of officers' remuneration.</li> </ul> </li> <li>③ The themes that each of the Board of Directors' committees should discuss were specified as the issues to address in fiscal 2025, such as the verification of the effect of revising the standards for items to be submitted to the Board of Directors and goals of officers' remuneration based on discussion of the next Medium-term Management Plan. In addition, it has been recognized that there is room for improvement in materials and the operation of meetings in order to further improve the effectiveness of the Board of Directors, etc. We will work to further enhance governance by steadily implementing measures to address these issues.</li> </ol>
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## II-5 Training Policy for Directors (Supplementary Principle 4.14.2)

MHC provides briefings on matters including the corporate mission, business conditions, and corporate governance when Outside Directors assume their positions. In addition, all Directors are given information on training opportunities such as seminars held by external organizations on the latest corporate governance trends, digital transformation, and sustainability.

MHC bears the full cost related to the training of Directors.

## III Nomination and Compensation of Directors

### III-1 Policies and Procedures for Appointment and Dismissal of Directors (Principle 3.1 (iv))

The Board of Directors resolves to appoint candidates to serve as Directors based on the selection standards described below, after the Nomination Committee, of which independent Outside Directors comprise the majority, holds discussions in advance. (It is stipulated in internal regulations that the Board of Directors shall resolve with the utmost respect to the decisions made by the committee.) The Board of Directors also resolves to appoint candidates to serve as Directors who are also Audit & Supervisory Committee Members after the Nomination Committee discusses it and the Audit & Supervisory Committee agrees to it.

MHC also recognizes that diversity at the Board of Directors in terms of gender, nationality, race, etc. is important, and proactively works on strengthening the function of the Board of Directors by enhancing diversity.

In determining an appropriate composition of the Board of Directors, MHC believes, as a desirable way of achieving diversity within MHC, that it is necessary to elect desirable persons in consideration of gender, nationality, race, etc., making it a top priority that Directors can demonstrate the necessary skills and abilities in light of the respective management environment.

In addition, if Directors are found to meet the dismissal standards described below, their dismissal is deliberated by the Nomination Committee in a timely manner and decided by the Board of Directors.

#### [Selection Standards]

1. Directors and Audit & Supervisory Committee Members should have the mental and physical soundness sufficient to execute business.
2. Directors and Audit & Supervisory Committee Members should be persons who are well respected, possess excellent integrity, and hold themselves to high ethical standards.



3. Directors and Audit & Supervisory Committee Members should have a law-abiding mentality.
4. Directors and Audit & Supervisory Committee Members should be expected to make objective judgments regarding management and have excellent insight and perspicacity.
5. It is reasonable to consider that the candidates will help strengthen the functions of the Board of Directors in view of their knowledge, experience, capabilities, and similar factors.
6. In addition to 1. to 5. above, candidates for Outside Directors should (i) have experience, achievements, and knowledge in their fields of specialization, (ii) be able to contribute to the implementation of appropriate decision-making and management supervision of the Board of Directors, and (iii) be expected to secure the time necessary to fulfill their duties.
7. Candidates for reappointment should have performed roles expected of them during each of their previous assignments.

#### **[Dismissal Standards]**

1. Directors significantly damaged the value of MHC by neglecting their duties.
2. Directors violated laws, articles of incorporation, or other regulations/rules of MHC, or conducted an act against public order and/or morals, which caused serious damage to MHC or hindrance to the business of MHC as a result.
3. Directors are deemed to not meet the selection standards for Directors.

### **III-2 Reasons for Appointment, Dismissal, and Nomination of Directors (Principle 3.1 (v))**

(As of June 26, 2025)

<b>Candidate's Name</b>	<b>Title</b>	<b>Reasons for Appointment and Expected Role</b>
Takahiro Yanai	Director, Chairman	Mr. Takahiro Yanai was appointed President & CEO of Mitsubishi UFJ Lease & Finance Company Limited (currently the Company) in 2017, based on his management experience at major Japanese financial institutions, and led the global expansion of the Company as the chief of business execution until March 2023. Since April 2023, he has been in charge of supervision of management as a non-executive Director and Chairman, and has been working to strengthen the Company's governance as a foundation for sustainable growth. As he is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors by leveraging the above experience and insight, we have reappointed him Director.
Taiju Hisai	Representative Director, President & CEO	Based on his management experience at a leading Japanese financial institution, Mr. Taiju Hisai served as Deputy President of the Company from 2021, assisting the President across all aspects of the Company's operations. He has served as Representative Director, President & CEO acting as the chief of business execution since April 2023. He has sufficient experience and knowledge to assume business management of the Company as it expands globally. We have deemed him to be the best candidate to take command of business as Representative Director, President & CEO and to aim for the Company's sustainable growth and improvement of corporate value over the medium to long term. We have therefore reappointed him Director.
Aiichiro Matsunaga	Representative Director, Deputy President	Since June 2024, Mr. Aiichiro Matsunaga has served as Representative Director, Deputy President of the Company, assisting the President across all aspects of operations based on his management experience at a major Japanese general trading company. He has sufficient experience and knowledge to assume business management of the Company as it expands globally. We expect him to contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director, and have therefore reappointed him Director.
Kazumi Anei	Director, Deputy President	Mr. Kazumi Anei served as Executive Officer and CMO* of Hitachi Capital Corporation from 2016 and 2020, respectively, and since 2021, has overseen the Customer Solutions Unit as Director, Deputy President of the Company, assisting the President. He has sufficient experience and knowledge to assume business management of the Company as it expands globally. We expect him to contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director and have therefore reappointed him Director.  * Chief Marketing Officer



Candidate's Name	Title	Reasons for Appointment and Expected Role
Haruhiko Sato	Director, Managing Executive Officer	<p>Based on his experience as the CFO* of overseas subsidiaries at a major Japanese general trading company, Mr. Haruhiko Sato was appointed Director, Managing Executive Officer of the Company in 2021. He currently serves as the Head of the Treasury &amp; Accounting Division and the Deputy Head of the Corporate &amp; Strategic Planning Division. He has experience and knowledge in the Corporate Center divisions of the Company as it expands globally. We expect him to contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director and have therefore reappointed him Director.</p> <p>* Chief Financial Officer</p>
Yuri Sasaki	Director (Outside Director) (Independent Director)	<p>As a university professor specializing in international finance and related fields, Ms. Yuri Sasaki possesses advanced knowledge of domestic and international finance. She also has experience in the investigation and deliberation of key issues related to domestic finance, such as financial systems and capital markets, having served as an Expert Committee Member of the Financial System Council of the Financial Services Agency. She also serves in a supervisory role in corporate management as an Outside Director of the Company and a major financial institution. As she is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as an independent Outside Director by leveraging the above knowledge and experience, we have reappointed her Director.</p> <p>We expect her to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective independent of executive management responsible for business execution as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.</p>
Kayoko Kawamura	Director (Outside Director) (Independent Director)	<p>Ms. Kayoko Kawamura has experience and knowledge in digital transformation (DX), having held positions such as systems engineer and head of application development for financial institutions at IBM Japan, Ltd., and currently serves as Executive Officer at Teradata Japan, Ltd., where she is primarily responsible for supporting DX initiatives for client companies. She also has experience in corporate management, having served as a part-time officer at an affiliated company of IBM Japan, Ltd. As she is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as an independent Outside Director by leveraging the above experience and knowledge, we have reappointed her Director.</p> <p>We expect her to advise us on the promotion of DX, one of our important measures, and to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as an independent Outside Director from an objective perspective independent of executive management responsible for business execution. We also expect her to contribute to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.</p>

Candidate's Name	Title	Reasons for Appointment and Expected Role
Shota Kondo	Director (Outside Director)	<p>At Mitsubishi Corporation, Mr. Shota Kondo has held various positions including Head of the CEO Office of the Natural Gas Group and General Manager of the Corporate Strategy &amp; Planning Department, with experience including an assignment in the US. He concurrently serves as CEO of the Smart-Life Creation (S.L.C.) Group. As he is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from a practical perspective as an Outside Director by leveraging his management experience at Mitsubishi Corporation and his insight into domestic and international business, we have reappointed him Director.</p> <p>As Mr. Kondo concurrently serves as Executive Vice President of Mitsubishi Corporation, a major shareholder of the Company, he is not designated as an independent Director. Mitsubishi Corporation is an important business partner for the Company and the Company expects to effectively utilize his advice as someone who has served as a chief of business areas of collaboration between Mitsubishi Corporation and the Company. We deem that this will lead to the improvement of the Company's corporate value and contribute to the enhancement of the interests of all shareholders including minority shareholders.</p> <p>Based on the above, we expect him to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.</p> <p>In addition, the Company's Board of Directors has determined that, in the event a proposal involving a conflict of interest between the Company and Mitsubishi Corporation is submitted, Mr. Kondo shall not participate in the deliberation or resolution of such matters. Mr. Kondo has also expressed his intention to perform his duties as a Director in the interest of the Company, rather than on behalf of any particular shareholder.</p>
Yoshitaka Shiba	Director, Audit & Supervisory Committee Member	<p>Based on his management experience at a major Japanese financial institution as Group CAO,* etc., Mr. Yoshitaka Shiba has contributed to ensuring the soundness of the Company's management since June 2024 as a Director who is also an Audit &amp; Supervisory Committee Member. As he is expected to contribute to appropriate decision-making, supervision of overall management, and neutral and objective auditing by the Board of Directors by leveraging the above experience and knowledge, we have reappointed him Director, Audit &amp; Supervisory Committee Member.</p> <p>* Chief Audit Officer</p>
Hiroyasu Nakata	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	<p>Mr. Hiroyasu Nakata possesses advanced knowledge as a legal expert and has practiced law, served as a university professor, etc. He also has experience in investigation and deliberation related to legal matters, having served as an ad-hoc member of the Legislative Council of the Ministry of Justice. As he is expected to contribute to appropriate decision-making, supervision of overall management, and neutral and objective auditing by the Board of Directors as an independent Outside Director by leveraging the above knowledge and experience, we have reappointed him Director, Audit &amp; Supervisory Committee Member.</p> <p>We expect him to contribute to appropriate decision-making and supervision of overall management, and neutral and objective auditing by the Board of Directors from an objective perspective independent of management responsible for business execution as well as to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee, and Compensation Committee.</p>

Candidate's Name	Title	Reasons for Appointment and Expected Role
Hiroko Kaneko	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	<p>Ms. Hiroko Kaneko possesses advanced knowledge of accounting, auditing, etc. with experience as a university professor researching accounting, auditing, disclosure, etc. and an accounting practitioner. She also has engaged in the development and improvement of systems for accounting, auditing, and internal control, and other initiatives as a member of the Business Accounting Council of the Financial Services Agency. Furthermore, she has experience supervising the operation and management of organizations, such as serving as a partner of major audit corporations and an outside director or outside auditor of listed companies. As she is expected to contribute to appropriate decision-making and supervision of overall management, and neutral and objective auditing by the Board of Directors as an independent Outside Director by leveraging the above knowledge and experience, we have reappointed her Director, Audit &amp; Supervisory Committee Member.</p> <p>We expect her to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective independent of executive management responsible for business execution as well as to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee, and Compensation Committee.</p>
Masayuki Saito	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	<p>Mr. Masayuki Saito served as General Manager of the Corporate Strategy &amp; Planning Department, the president of a subsidiary covering the Asian region, and General Manager of the Finance Department, and assisted the President and CEO as Representative Director and Executive Vice President at DIC Corporation. He also has experience supervising the overall management of the DIC Group as a Director and Chairman. As he is expected to contribute to appropriate decision-making, supervision of overall management, and neutral and objective auditing by the Board of Directors as an independent Outside Director by leveraging the above knowledge and experience, we have reappointed him Director, Audit &amp; Supervisory Committee Member.</p> <p>We expect him to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective independent of executive management responsible for business execution as well as to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee, and Compensation Committee.</p>

### III-3 Outside Directors' Independence Judgment Criteria (Principle 4.9)

(Repost of page 12)

"Outside Directors' Independence Judgment Criteria" prescribed by MHC are as follows:

#### [Outside Directors' Independence Judgment Criteria]

MHC shall judge the independence of Outside Directors by confirming if they fall under any of the following items (1) through (6) at any time in the past three fiscal years, and considering if the individual is independent objectively and substantially from multiple perspectives, assuming that they are meeting the requirements of independent Directors/auditors specified by financial instruments exchanges in Japan, such as the Tokyo Stock Exchange.

- (1) A major shareholder (i.e., a shareholder holding 10% or more of the total voting rights) of MHC or an executive thereof (\*1)
- (2) An executive of a lender of MHC that exceeds MHC's standard (\*2)
- (3) An executive of a business partner of MHC that exceeds MHC's standard (\*3)
- (4) A consultant, attorney-at-law, certified public accountant, or other person who provides professional services and who receives more than 10 million yen per fiscal year in monetary or other assets from MHC, excluding officers' remuneration
- (5) A representative partner or partner of MHC's Accounting Auditor
- (6) A person who belongs to an association which receives donations from MHC exceeding a certain amount (\*4)

(\*1) An executive refers to an executive director, executive officer, or other employee.

(\*2) A lender that exceeds MHC's standard refers to a lender from whom the amount MHC has borrowed exceeds 2% of the consolidated total assets of MHC.

(\*3) A business partner that exceeds MHC's standard refers to a business partner whose dealings with MHC have a value exceeding 2% of the consolidated net sales of MHC or of the relevant business partner.

(\*4) Donations exceeding a certain amount refers to donations exceeding 10 million yen per fiscal year.

Even if a candidate qualifies under any of items (1) through (6) above, if there are special circumstances to designate the relevant candidate as an Independent Director/Auditor and he/she is judged to be substantially independent, and is to be registered as an Independent Director/Auditor with a financial instruments exchange in Japan, such as the Tokyo Stock Exchange, the reason for the candidate's eligibility shall be explained and disclosed at the time of registration and in the reference documents for a general shareholders meeting concerning the agenda of the election of the candidate as an Outside Director or Audit & Supervisory Committee Member.

### III-4 Information on Outside Directors Who Have Concurrent Posts (Supplementary Principle 4.11.2)

Regarding the nomination of Director candidates, MHC makes its decisions after consideration of the situation surrounding the concurrent posts and whether such candidate could sufficiently perform their expected duties as Company Director.

MHC considers that current Directors put sufficient time and effort into their work to fulfill their respective roles and responsibilities appropriately.

Information on Directors who have concurrent positions has been included in page 9 of Other Matters Subject to the Electronic Provision Measures for the 54th Annual General Meeting of Shareholders (Matters Omitted from Documents Delivered to Shareholders.)

<https://www.mitsubishi-hc-capital.com/english/investors/meeting/index.html>

### III-5 Establishment of Independent Nomination Committee and Compensation Committee (Supplementary Principle 4.10.1)

MHC, based on the understanding that appropriate involvement of independent Outside Directors is important for resolutions related to nomination and remuneration, has established the Nomination Committee and Compensation Committee, of which independent Outside Directors comprise the majority. In addition, from the perspective of enhancing the independence and objectivity of the functions of the Board of Directors and its accountability, since April 1, 2025, MHC has assigned independent Outside Directors as the chairpersons of the committees.

The Nomination Committee discusses the appointment of Directors, the succession plan for the President & CEO, the knowledge, experience, skills, etc. that the Board of Directors should have, and other matters.

The Compensation Committee regularly monitor MHC Directors' remuneration in comparison with the market standard by using an external specialized agency, and discusses policies, concerning the systems, standards, etc. for officers' remuneration.

Members of the Nomination Committee and Compensation Committee shall be selected by the Board of Directors, and items discussed in the committees shall be resolved by a majority of committee members in attendance. It is stipulated in internal rules that the Board of Directors shall make decisions in deference to decisions made by the committees to the fullest extent possible.

Furthermore, MHC has established the Governance Committee, which serves as an advisory body to the Board of Directors, and exchanges a wide range of opinions on the improvement of the Board of Directors' effectiveness and other matters regarding the Board of Directors, in order to work on the improvement of the soundness, transparency, and fairness of MHC's management.

For the status of each committee's activities, please refer to [Status of Activities of the Board of Directors, Audit & Supervisory Committee, and Other Committees (Frequency of Meetings, Specific Discussion Items, Attendance of Directors and Committee Members)] (page 36).

### III-6 Policies and Procedures for Determining Remuneration of Directors and Management (Principle 3.1 (iii))

#### 1. Basic Policy

- MHC officers' remuneration is determined by also taking into account officers' incentives, with a view toward increasing corporate value through the execution of business strategies.
- The level of remuneration shall be appropriate with respect to the roles and responsibilities of each officer, and is also based on market levels, from the viewpoints of increasing corporate value over the medium to long term and improving short-term business performance.

According to the basic policy above, MHC's Board of Directors resolves the policies on the remuneration, etc. of individual Directors (excluding persons who are Audit & Supervisory Committee Members).

The remuneration, etc. of Executive Officers shall be handled in the same manner as the remuneration, etc. of Executive Directors.

## 2. Remuneration System

- In principle, Executive Directors' remuneration, etc., consists of base remuneration, short-term incentive compensation (performance-based monetary compensation), and medium-to long-term incentive compensation (performance-based stock compensation). As short-term incentive compensation, cash is paid as a bonus, while medium-to long-term incentive compensation is paid as provision of MHC's shares, etc. in a trust framework.
- With a view toward maintaining a sound performance-based ratio, the ratio of fixed remuneration (base remuneration) to floating compensation (bonus and stock compensation) is generally set at 1:0.6 (the ratio of base remuneration to bonus to stock compensation is generally set at 1:0.3:0.3).
- Bonuses and stock compensation, which represent incentive compensation, are not paid to non-executive Directors (excluding persons who are Audit & Supervisory Committee Members) from the standpoint of ensuring the effectiveness of their supervisory functions.

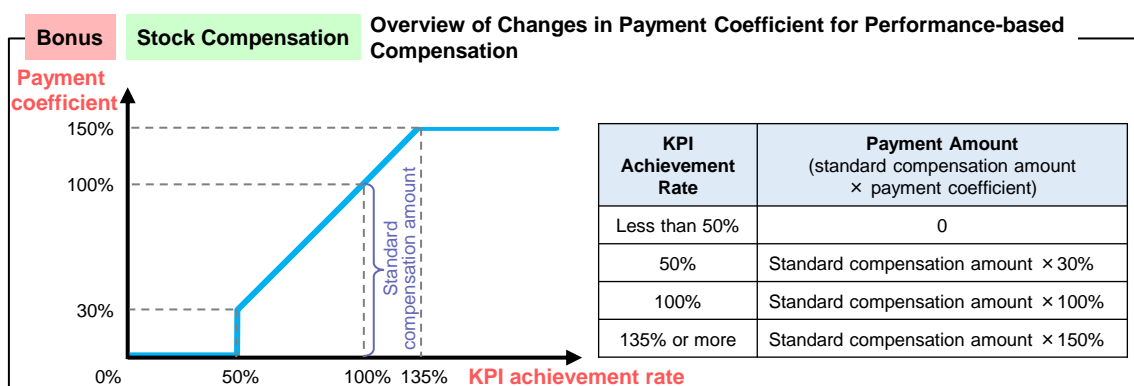
### Remuneration System for Executive Directors

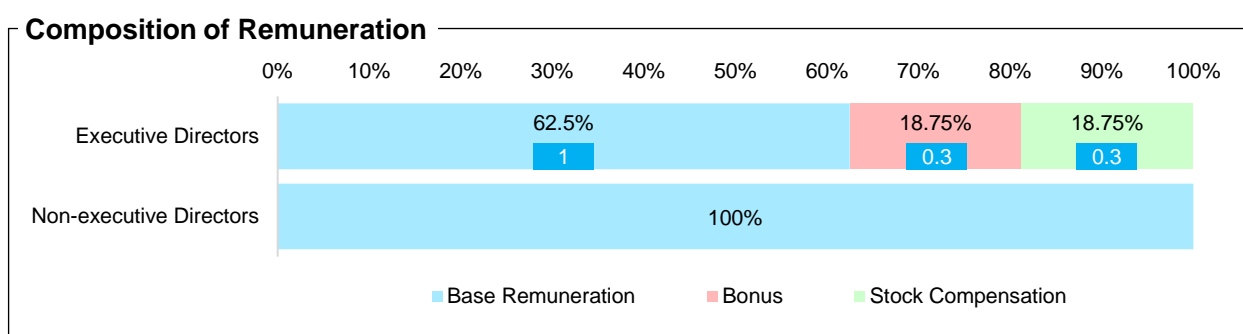
Type of Remuneration	Details of Remuneration	Percentage of Remuneration	KPIs for Evaluation/ Evaluation Weight			Range of Payment Coefficient Based on KPI Achievement
Fixed	■ Fixed remuneration according to position	62.5% 1	-			-
Variation	<b>Bonus (Short-term Incentive)</b> <b>Performance-based</b>	18.75% 0.3	<div>Position</div> <div>KPI</div> <div>Net Income Attributable to Owners of the Parent</div> <div>ROA<sup>*1</sup></div> <div>ROE<sup>*2</sup></div> <div>Responsible Duties</div>	<div>Representative Director</div> <div>70%</div> <div>15%</div> <div>15%</div> <div>-</div>	<div>Other</div> <div>49%</div> <div>10.5%</div> <div>10.5%</div> <div>30%</div>	0-150%
	<b>Stock (Medium-to Long-term Incentive)</b> <b>Performance-based</b>	18.75% 0.3	<div>Net Income Attributable to Owners of the Parent</div> <div>ROA<sup>*1</sup></div> <div>ROE<sup>*2</sup></div> <div>TSR against TOPIX Growth Rate<sup>*3</sup></div>	<div>60%</div> <div>10%</div> <div>10%</div> <div>20%</div>		0-150%

\*1 Return On Assets

\*2 Return On Equity

\*3 Total Shareholder Return





### ① Fixed Remuneration

The amount of fixed remuneration is determined based on the amount corresponding to the position and comprehensive consideration of the roles, responsibilities, and other factors of each Director.

### ② Floating Compensation

With respect to bonuses and stock compensation, financial indicators which are emphasized as indicators of MHC's growth from the perspective of management strategy, are set as indicators (key performance indicators, or "KPIs") for the Company-wide performance evaluation, with a view to clarifying the relationship between business performance and remuneration. (KPIs and evaluation ratios are as shown in the above diagram.)

#### [Bonuses]

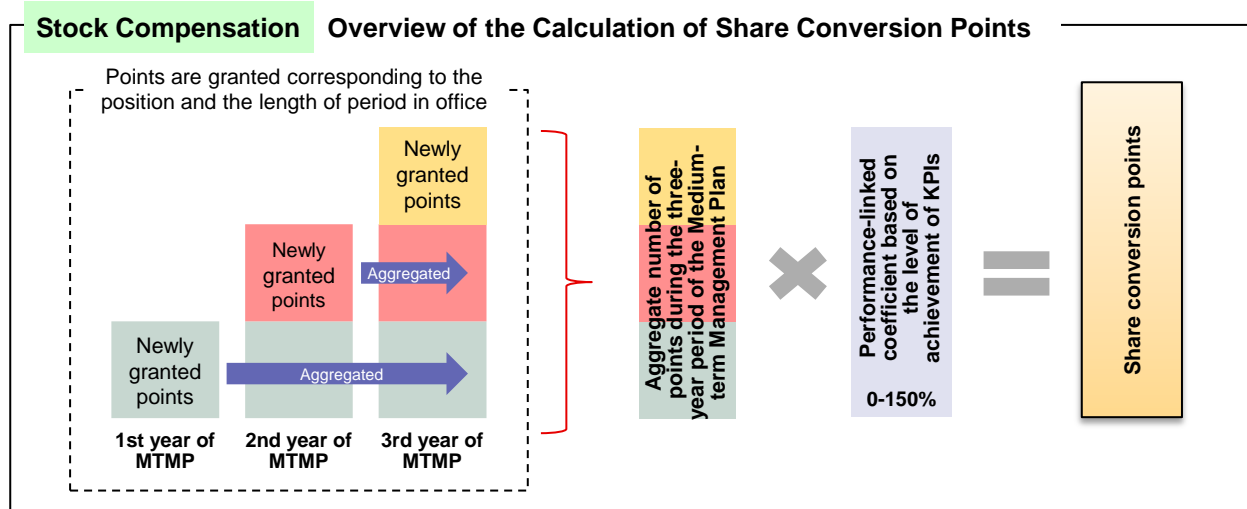
- (1) Net income attributable to owners of the parent, (2) ROA, and (3) ROE, which have been set as MHC's numerical targets, are set as KPIs for the Company-wide performance evaluation.
- The bonuses of Representative Directors are fully linked to the Company-wide performance evaluation, while the bonuses for other executive Directors are based 70% on the Company-wide performance evaluation and 30% on the evaluation of the duties for which each individual is responsible. For both positions, the amounts of bonuses to be paid are determined within the range of 0% to 150% of the standard amount based on the achievement rate of KPIs.
- For the portion based on the responsible duties, quantitative and qualitative evaluations are conducted by the President & CEO, using a standard evaluation sheet, from the perspective of performance and the level of contribution regarding the duties handled by the relevant Executive Director. The purpose is to enhance the incentive of each Director by appropriately evaluating not only the level of achievement of performance targets, but also results, such as the level of contributions, which cannot be evaluated by quantitative means alone.

#### [Stock Compensation]

- From the perspective of increasing its corporate value over the medium to long term, (1) net income attributable to owners of the parent, (2) ROA, (3) ROE, and (4) TSR against TOPIX growth rate, which MHC has set as numerical targets, etc. in the Medium-term Management Plan, are set as indicators (KPIs) for the performance evaluation.
- By using a trust framework, MHC's shares, etc. corresponding to share conversion points, which are calculated using the following formula, are provided. Specifically, one share of MHC or a corresponding amount of cash per point is delivered. In principle, the portion of MHC's shares possessed in the trust are converted into cash value therein, and compensation is provided in the form of Company shares and cash at a percentage of 50:50.

Share conversion points =

the number of points granted corresponding to the position and the number of months in office of the relevant person (the aggregate number of points during the three-year period of the Medium-term Management Plan) multiplied by the performance-linked coefficient based on the level of achievement of KPIs (ranging from 0% to 150%)



#### <Malus and Claw-back Clause for Stock Compensation and Shareholding Policy>

- As for stock compensation, the points or share conversion points that have already been granted can be confiscated, and money equivalent to MHC's shares, etc. that have already been delivered reclaimed, in the case of a material violation of the office regulations or internal regulations, resignation for personal reasons during the term of office against the will of MHC, dismissal for justifiable reasons, gaining employment at a competitor without MHC's permission, etc.
- MHC recommends the holding of its shares by its Directors. Further, in principle, Directors shall continue to hold MHC's shares obtained during the term of their office until the time of their resignation, regardless of the number of shares held.

### ③ Other Compensation

When it is necessary for Directors (excluding Outside Directors and those who are Audit & Supervisory Committee Members) to reside in an area away from home due to a transfer resulting from a change of duties or place of assignment, MHC provides such Directors with appropriate company housing. (The difference between the total rent per month required by MHC to rent company housing and the total company housing rent per month collected from the Directors will be referred to as "non-monetary remuneration related to the provision of company housing.") The company housing shall be properties of a general and standard level, and the upper limit of rent by title and region shall be established beforehand. The company housing rent to be calculated based on the predetermined rate (when the total rent exceeds the limit, all of the excess amount is added to the amount for collection) shall be collected from Directors as their own expenses. (Currently, no one is being provided company housing.)

### 3. Timing and Conditions of Remuneration Payment

- Base remuneration is a fixed amount and paid on a predetermined date every month.
- Bonus amounts are decided based on the performance in the previous fiscal year (April to March of the next year) and paid on a date after a General Meeting of Shareholders held in June every year.
- As stock compensation, points are granted at the end of every fiscal year (the end of March) corresponding to the position and the number of months in office of the relevant person. In principle, the aggregate number of the said points of three years is multiplied by the performance-linked coefficient to calculate share conversion points, based on which MHC's shares, etc. are provided in July of the final fiscal year of the Medium-term Management Plan period (three years).
- Non-monetary remuneration related to the provision of company housing is paid every month, separately from the base remuneration.



Compensation Type	Payment Timing	Subject Period
Base Remuneration	A predetermined date every month	Each fiscal year
Bonus	After an annual General Meeting of Shareholders	Previous fiscal year (April to next March)
Stock Compensation		Medium-term Management Plan period (three years)
(a) Points*	End of every fiscal year	Number of months in office in every fiscal year
(b) MHC's shares, etc.	July following the end of the relevant Medium-term Management Plan	Total number of months in office during the Medium-term Management Plan period
Non-monetary remuneration related to the provision of company housing	A predetermined date every month	Each fiscal year

\* (b) MHC's shares, etc. are provided based on the share conversion points calculated by multiplying the number of (a) points aggregated during the Medium-term Management Plan period by the performance-linked coefficient.

#### 4. Method of Determining Remuneration, etc. and the Overview of Procedures and Activities of the Committee

- MHC decides details of the remuneration, etc. of Directors (excluding persons who are Audit & Supervisory Committee Members), determination policy, and other relevant matters at a meeting of the Board of Directors, after the Compensation Committee, whose majority consists of independent Outside Directors, deliberates those matters. In addition, the Compensation Committee deliberates the validity of the amount and composition of remuneration every year based on the remuneration-related data provided by an external specialized institution.
- Members and the chairperson of the Compensation Committee are selected by the Board of Directors, and the committee makes decisions by a majority of committee members attending. It is stipulated in internal rules that the Board of Directors shall make decisions to the utmost respect to the decisions made by the committee.
- MHC considers it useful for persons who are well-acquainted with individual operations and MHC's circumstances to flexibly determine the specific amounts of base remuneration and bonuses and non-monetary remuneration related to the provision of company housing to be paid to Directors (excluding persons who are Audit & Supervisory Committee Members), based on certain standards. The amounts shall be determined at the discretion of the Representative Director, President & CEO (Taiju Hisai) up to the limits approved by resolution of the General Meeting of Shareholders, based on the policy resolved by the Board of Directors and Compensation Committee. The following measures shall be taken so that the authority of the President & CEO will be exercised appropriately. As stock compensation, MHC's shares, etc. corresponding to the share conversion points calculated based on the regulations for share delivery, which were stipulated by the resolution of the Board of Directors, shall be provided.

##### [Measures to Ensure the Proper Performance of the Delegated Authorities]

- Base remuneration shall be determined based on a certain standard (remuneration table) to be established beforehand by the deliberation at the Compensation Committee.
- The following measures shall be taken for performance-based bonuses.
  - Set key performance indicators (KPIs) in line with numerical targets to be deliberated at the Board of Directors.
  - Determine the amounts of bonuses in accordance with the rate of achievement of the KPIs, based on a coefficient for bonus payment which will be deliberated at the Compensation Committee and established in advance.
  - Report the results of the company-wide evaluation and the amounts of bonuses to the Compensation Committee after the fact and have them be verified.

The following measures shall be taken for the bonuses based on the responsible duties

- Conduct evaluations based on an evaluation sheet standardized through discussion in advance by the Compensation Committee (in which targets set beforehand and the weighting and evaluation standards for individual targets are specified).
- Evaluate the results for the responsible duties individually based on this evaluation sheet, report the amount of bonuses to the Compensation Committee, and have them be verified.
- As stock compensation, points corresponding to the position and the number of months in office of the relevant person at the end of every fiscal year are granted based on the prescribed standards as per the regulations for share delivery, which are resolved by the Board of Directors. In principle, the performance-linked coefficient, which is determined upon



completion of the Medium-term Management Plan every three years shall also be as per the regulations for share delivery.

- Regarding non-monetary remuneration related to the provision of company housing,
  - The company housing shall be properties of a general and standard level, and the upper limit of rent by title and region shall be established beforehand.
  - The company housing rent to be calculated based on the predetermined rate (when the total rent exceeds the limit, all of the excess amount is added to the amount for collection) shall be collected from Directors as their own expenses.

(Currently, no one is being provided company housing.)

- Bonuses and stock compensation, which represent incentive compensation, are not paid to Directors who are Audit & Supervisory Committee Members, from the standpoint of ensuring the fairness of audits.
- The amounts of remuneration for Directors (Audit & Supervisory Committee Members) shall be decided through discussions among Directors who are Audit & Supervisory Committee Members, within the range resolved at the General Meeting of Shareholders.
- The amounts of remuneration, etc. for Directors have been resolved at the General Meeting of Shareholders as follows.

Type of Remuneration	Amount of Remuneration, etc.	Date of Resolution at the General Meeting of Shareholders	Number of Relevant Directors at the Time of the Resolution at the General Meeting of Shareholders Becoming Effective*	Number of Relevant Directors as of June 26, 2025
Directors (excluding persons who are Audit & Supervisory Committee Members)				
Monetary remuneration (total of base remuneration and bonus)	800 million yen/year	February 26, 2021	10	8
Outside Directors	100 million yen/year		3	3
Non-monetary remuneration related to the provision of company housing	2 million yen/month		7 Excluding Outside Directors	0 (No relevant person)
Stock Compensation		June 27, 2023	4 Excluding non-executive Directors and Directors not residing in Japan	4
Trust contribution amount	800 million yen/year 2,400 million yen during the applicable period			
Number of shares delivered	1.55 million shares/year 4.65 million shares during the relevant period			
Directors (Audit & Supervisory Committee Members)				
Monetary remuneration (base remuneration)	200 million yen/year	February 26, 2021	5	4

\* The number of Directors related to the amount of remuneration, etc. is not specified.

## IV Sustainability, Human Capital

### IV-1 Actions on Sustainability and Investment in Human Capital and Intellectual Property, etc. (Principle 2.3, Supplementary Principle 2.3.1, 3.1.3, and 4.2.2)

#### 1. Efforts on Sustainability

The MHC Group believes that efforts toward sustainability—among them, protecting the global environment, respecting human rights, and embracing diversity—are an essential responsibility to society that corporations should fulfill. To continue to survive, corporations must pursue long-term growth while gaining the trust of their stakeholders by engaging in business activities that seek to resolve environmental, social, and economic issues.

With this fundamental understanding, and to lead and promote sustainability-based management, MHC established a Sustainability Committee to better contribute to the realization of a sustainable and prosperous future. The Sustainability Committee is an advisory body to the Executive Committee, and aims to lead and promote sustainability efforts in a way that

is unified with the management strategies. The Sustainability Committee is chaired by the Head of the Corporate & Strategic Planning Division, and its members comprise Executive Officers in charge of business departments and the Corporate Center, including the President & CEO. The committee implements a wide range of activities—including checking the progress of activities and the level of achievement of targets in non-financial areas, deliberating over new activities, and discussing non-financial indicators—and reports the results to the Executive Committee and the Board of Directors.

MHC has identified the materiality issues (page 27) as priority key challenges which must be addressed to achieve the sustainable development of the Group. The Basic Sustainability Policy consists of and integrates “Our Mission”, “Our Vision,” and the materiality. In light of the significance of these materiality issues, the Group will proceed with effective management and business activities aimed at solving the issues, such as by proceeding with the reduction of greenhouse gas emissions across the entire supply chain towards achieving a decarbonized society and eliminating the risk of human rights violation by using a human rights due diligence system.

Please refer to MHC’s website for details of our efforts on materiality.

<https://www.mitsubishi-hc-capital.com/english/sustainability/materiality.html>

## 2. Investment in Human Capital and Intellectual Property, etc.

### (1) Initiatives Related to Human Capital

#### ① Direction of Strategy

The MHC Group recognizes that the accumulation and utilization of human capital is important in enhancing corporate value through the realization of the Basic Management Policy and the medium- to long-term management direction. In particular, we will accumulate and utilize the necessary human capital, both in terms of quality and quantity, to achieve the SX, DX, and business portfolio transformation outlined in the medium- to long-term management direction and to achieve the targeted management indicators of our Group.

#### ② Themes That We Want to Accomplish

In accumulating and utilizing human capital, we uphold the two themes of fulfillment of a talent portfolio and maintaining and improving MHC engagement\* to be accomplished in the medium to long term. In order to accomplish these themes, in particular, we will give priority to working on the two matters: reconstruction of the human resource management base and creation of a system for maintenance and improvement in MHC engagement.\*

\* The Group defines a state in which all employees work together as one to create value as having a high level of MHC engagement



(MHC: Mitsubishi HC Capital)

#### a. Fulfillment of a talent portfolio

Policy	Secure and develop human resources contributing to the Group’s realization of strategies (quality and quantity) <ul style="list-style-type: none"> <li>■ We define the quality and quantity of human resources necessary to realize the medium- to long-term management direction and visualize a talent portfolio</li> <li>■ We understand the disparities between our necessary human resources and current human resources in terms of quality and quantity and implement measures for filling them</li> </ul>
Indicators and Targets	(Scheduled to be announced around the timing of the announcement of financial results for fiscal year2025)
Initiatives and Their Results in fiscal year 2024	Reconstruction of the human resource management base <ul style="list-style-type: none"> <li>■ We defined jobs necessary to realize the medium- to long-term management direction</li> <li>■ We defined and visualized the requirements for each job that we defined</li> <li>■ We understood and visualized information on human resources (experience, skills, competency) by conducting assessments, etc.</li> </ul>

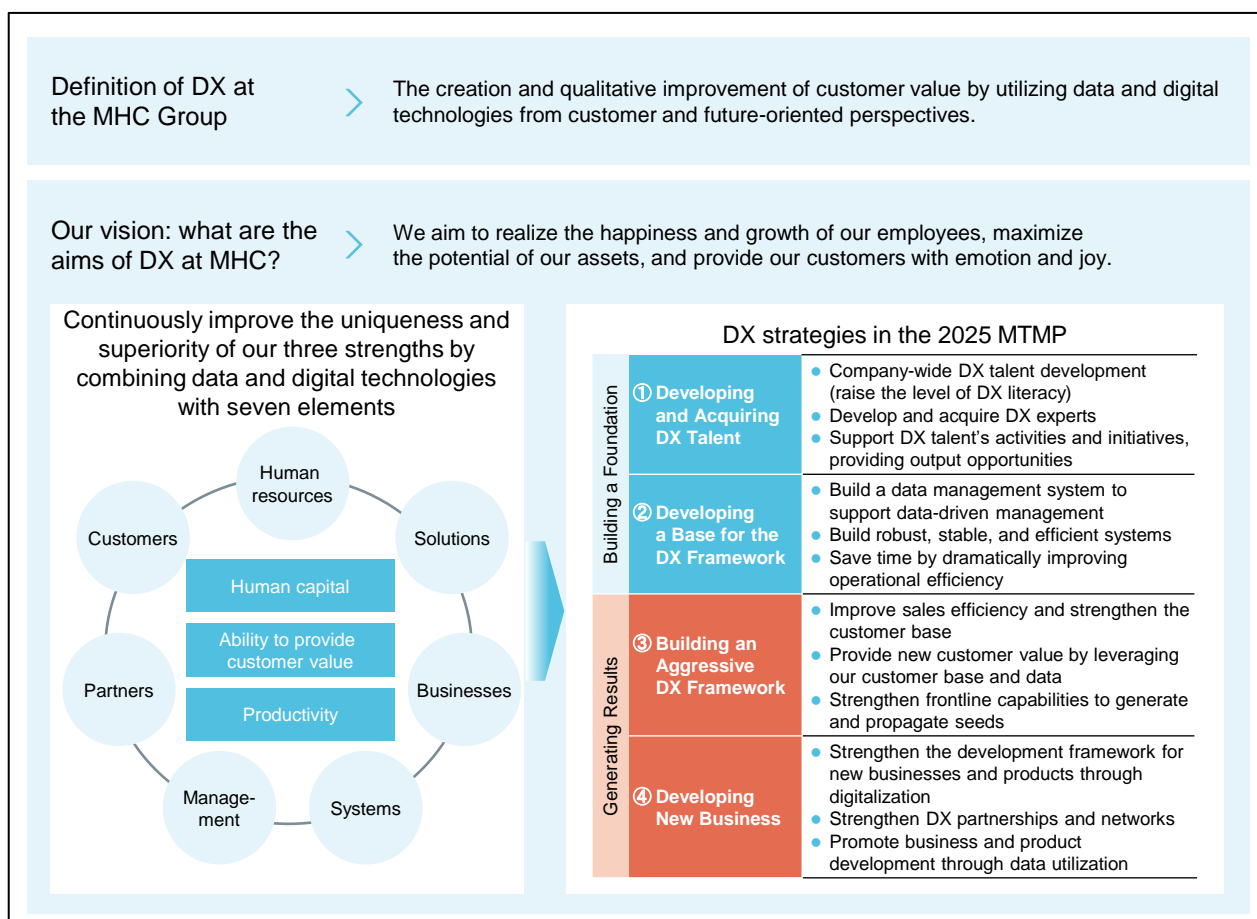
#### b. Maintaining and improving MHC engagement

Policy	Maintain and improve the three elements comprising MHC engagement <p>Definition of MHC engagement</p> <p>The Group defines a state in which all employees work together as one to create value as having a high level of MHC engagement. MHC engagement is composed of the three elements of initiative and</p>
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	<p>diversity, both of which indicate the level of action, and a positive workplace environment, which influences initiative and diversity.</p> <p><b>A state in which all employees work together as one to create value</b></p> <div> <div> <b>Initiative</b>   </div> <div> Working toward what we must do/be and what we want to do/be </div> </div> <div>×</div> <div> <div> <b>Diversity</b>   </div> <div> With members of diverse values, backgrounds, and abilities, both internally and externally, there is active communication based on mutual respect </div> </div> <div> <b>Workplace Environment</b>  Corporate culture, company systems, working style, etc. that affect initiative and diversity </div>
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## (2) Intellectual Property Strategy

MHC is also enhancing the use of computerized information (software and database), innovative property (R&D and licenses), economic competencies (talent (human capital) and organization) and other intangible assets, regarding them as important for sustainable growth. We strive to develop a framework to encourage innovation in order to improve profitability and accelerate growth by continuing to create new businesses, and steadily execute DX strategies and expand DX-related new businesses and products in order to achieve our goal of providing high value-added services and improving productivity through the use of digital technologies and data. At the same time, MHC is working to develop talent who are positive about creating innovations and digitalization by promoting self-development of employees, such as providing training programs for digitalization-related knowledge as a part of the education system.



### 3. Impact of Climate Change-related Risks and Revenue Opportunities on MHC's Business Activities, Revenue, etc.

MHC promotes its unique and advanced business with consciousness of global environment to solve social issues. Especially, climate change exerts a grave impact on the global environment, including its ecosystems, as well as on people's lives and business activities. MHC believes climate change constitutes a major risk confronting the MHC Group, and simultaneously, may also bring new business opportunities. To clearly specify its policy, MHC is supporting recommendations by the Task Force on Climate-related Financial Disclosure (TCFD). Furthermore, recognizing the importance to disclose climate-related financial information, MHC also endeavors to play its part in the realization of international targets identified by the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement. To this end, it will act in collaboration with other Group companies as well as a broad range of stakeholders, including government agencies, external business corporations, and industrial associations to realize a decarbonized society.

MHC will address information disclosure in line with the four thematic areas (governance, strategy, risk management, metrics and targets) of the TCFD recommendations to enhance disclosure regarding climate change. At the same time, it will emphasize environmentally-conscious efforts through customers' business and the efforts to reduce greenhouse gas emissions of the Group.

For details, please refer to "Information Disclosure according to Four Disclosure Items suggested by TCFD Recommendations" in the Annual Securities Report for the 54th Fiscal Year (page 25 for (i) Governance, page 26 for (ii) Risk Management and (iii) Strategy, and page 27 for (iv) Metrics and Targets.)

In addition, in order to further enhance the effectiveness of our strategies, we have formulated the Transition Plan toward the Realization of a Carbon-neutral Society, in which the progress of the reduction of our GHG emissions and processes toward the achievement of our goals are summarized. By implementing initiatives in line with this plan, we aim to realize a carbon-neutral society by 2050. Please refer to MHC's website for more details.

[https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/environment/transition\\_plan/transition\\_plan2025060602.pdf](https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/environment/transition_plan/transition_plan2025060602.pdf)

	Short Term (Every Year)	Medium Term (to Fiscal year 2030)	Long Term (to Fiscal year 2050)
Scope1 and Scope2	Energy usage in Japan: Reduction by 1% compared to the prior fiscal year	Reduction by 55% compared to fiscal year 2019	Net zero

## IV-2 Ensuring Diversity in Key Personnel within the Organization (Supplementary Principle 2.4.1)

### [Views on Ensuring Diversity]

We position the promotion of diversity, equity, inclusion, and belonging—DEIB—as an important management strategy for the further expansion of the Group’s business domains and global operations, with our basic policy to foster a corporate culture with the vitality to create new value by bringing together diverse talent who can leverage one another’s strengths to maximize the impact of their individual motivations and talents.

One of our action principles is “Diversity: Embrace diversity and respect each other.” With this as the foundation, we aim to realize an organization with the vitality to create new value by bringing together diverse talent who represent a broad range of individual attributes such as nationality, age, and gender; and differences in life stage, experience, and values; and who can leverage one another’s strengths to maximize the impact of their individual motivations and talents.

Please refer to MHC’s website for details of the promotion of diversity, equity, inclusion, and belonging.

[https://www.mitsubishi-hc-capital.com/english/sustainability/social/employees\\_and\\_families.html](https://www.mitsubishi-hc-capital.com/english/sustainability/social/employees_and_families.html)

### <Women>

We have formulated an action plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace and strive to promote women’s success. We have introduced systems that encourage the long-term employment of women and support their career development through rank-based training, dispatch to external training, and other opportunities. The percentage of female managers as of March 31, 2025 is 18.3% (non-consolidated basis).

We will strive to further increase the percentage of female managers through proactive personnel development.

### <Foreign Employees>

MHC continues hiring activities not bound by nationality, and there are 23 foreign employees (non-consolidated basis) as of March 31, 2025.

MHC has recruited and hired persons with necessary attributes and capabilities according to the business environment as appropriate, regardless of nationality. After hiring foreign nationals, MHC provides an environment necessary for such employees to demonstrate their abilities, such as opportunities for education and promotion (rank-based training, training for selected employees, e-learning, etc.) equivalent to those for Japanese employees.

While there are currently no foreign employees working as managers, MHC will promote the appointment of foreign employees as managers through initiatives to develop diverse talent.

Meanwhile, local talent accounts for about 50% of the managerial positions of overseas Group companies as of March 31, 2025. MHC continues the appointment of foreign employees aiming to realize strategic management based on the characteristics of each country and region.

### <Mid-career Hiring>

Mid-career hires account for about 27% of the managerial positions of MHC (non-consolidated basis) as of March 31, 2025. MHC has recruited and hired persons with necessary attributes and capabilities according to the business environment as appropriate, regardless of past career. To advance the evolution and layering of our business models, which is announced in the Medium-term Management Plan, in mid-career recruitment, we seek to hire experienced professionals from each industry in which the Group operates. We also engage in recruitment activities that cast a wider net to attract potential talent with skills and ability that can contribute to each field of the MHC Group in the future. As measures to enhance our recruitment framework, we have developed schemes for referral-based recruitment in response to employee introductions, “comeback” recruitment to re-hire employees who have resigned in the past, and direct sourcing for some positions as part of efforts to recruit from a diverse pool of talent and secure sufficient quantities.

On the development front, we train generalist human resources geared to function in various departments, but we also develop and cultivate professionals to lead business areas. In recent years, in particular, aiming to sophisticate and globalize our business, we have established a development support system including external seminars and acquisition of professional qualifications to acquire highly specialized skills required in each domain. We are also making efforts to develop leaders with a view to promoting them to managerial positions.

## V Relationships with Stakeholders

### V-1 Policies for the Establishment of Systems and Efforts for Promoting Constructive Dialogue with Stakeholders (Principle 5.1)

With the recognition that it is one of its social responsibilities to ensure transparent and sound management while emphasizing initiatives to achieve sustainable corporate growth and improvement in corporate value over the medium to long term, MHC pursues proactive and constructive dialogue with shareholders and investors.

With the Corporate Communications Department serving as the primary point of contact, MHC has established a system for collaboration with the Corporate Planning Department, Accounting Department, General Affairs Department, etc. to implement the following initiatives.

- Financial results briefings are held twice each year, after the announcement of full-year financial results and second quarter financial results, in which the President & CEO and management provide explanations and also answer any questions that are asked.
- MHC's management and the Corporate Communications Department conduct individual interviews with domestic and foreign shareholders and institutional investors, and IR and SR activities, such as participation in briefings and various conferences.
- MHC provides a wide range of information such as the movies of financial results briefings and materials with scripts provided at the financial results briefings, and summaries of Q&A sessions on the corporate website to investors including individual investors. In conjunction with this, MHC participates in IR events and various briefings for individual investors which are organized by securities companies and stock exchanges.

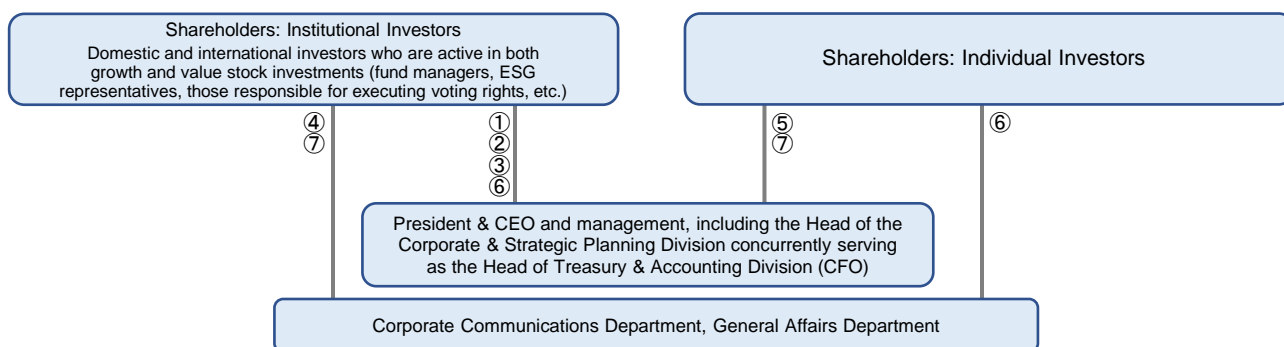
Opinions and concerns expressed in the dialogue with shareholders are promptly reported to MHC's management. In addition, those are regularly reported to the Board of Directors so that the information is shared with independent Outside Directors as well. MHC appropriately and carefully manages insider information in accordance with MHC's internal rules, and also discloses such information in accordance with the information disclosure policy. Please refer to the corporate website for the information disclosure policy:

[https://www.mitsubishi-hc-capital.com/english/sustainability/variou s\\_policies.html](https://www.mitsubishi-hc-capital.com/english/sustainability/variou s_policies.html)

#### [Status of Dialogues with Shareholders, etc.]

##### 1. Key Figures in Dialogues with MHC's Shareholders and an Overview of the Shareholders

As described in MHC's policy regarding constructive dialogues with shareholders, members of MHC's management including the President & CEO, as well as the Corporate Communications Department, often engage in these dialogues with its shareholders and investors. The following are the major initiatives undertaken in fiscal year 2024.



[Major Initiatives in Fiscal Year 2023]	
Description	Major Persons in charge at MHC
① Financial results briefings (Question and answer sessions with shareholders and institutional investors)	President & CEO, Head of the Corporate & Strategic Planning Division concurrently serving as the Head of Treasury & Accounting Division (CFO)
② Individual interviews between domestic and international shareholders and institutional investors and management	President & CEO, Head of the Corporate & Strategic Planning Division concurrently serving as the Head of Treasury & Accounting Division (CFO)
③ Participation by officers in charge of IR in various conferences held by securities companies (Interviews with domestic and international shareholders and institutional investors)	Head of the Corporate & Strategic Planning Division concurrently serving as the Head of Treasury & Accounting Division (CFO)
④ Individual interviews between domestic and international shareholders and institutional investors and departments in charge of IR and SR	Corporate Communications Department, General Affairs Department
⑤ Exhibition at IR events targeting individual shareholders and investors	Corporate Communications Department
⑥ General meeting of shareholders	President & CEO and management (Inside Directors, Outside Directors, Executive Officers, etc.)
⑦ Response to inquiries from shareholders and investors	Corporate Communications Department



## 2. Major Themes of Dialogues

The following are the major themes of the dialogues, including items which are of particular concern to MHC's shareholders, etc.

- The road to achieving the financial targets of the 2025 MTMP
- Initiatives for the evolution and layering of business models and their progress
- The business portfolio we are aiming for with our business portfolio transformation
- Medium- to long-term ROE growth strategies
- The status of businesses and their outlook for each segment

## 3. Items Introduced in Light of the Dialogues

MHC has formulated the Medium-Term Management Plan having taken into account the concerns of its shareholders and investors.

Further, in consideration of the valuable opinions MHC received regarding the disclosure of financial results-related information, it has improved its disclosure by showing income gain and asset-related gain/loss, waterfall charts for segment-specific information, and other information in financial results materials to help shareholders and investors understand the actual business and performance of MHC.

## 4. Update on Management and the Board of Directors

In September 2024 and March 2025, MHC provided an update on the Executive Committee and the Board of Directors regarding the status of dialogue between MHC's management and its shareholders and investors.

### V-2 Procedures for Approving Related Party Transactions (Principle 1.7)

When MHC engages in transactions with its own Directors or Audit & Supervisory Committee Members and with major shareholders (i.e., related party transactions), it has in place the following systems and procedures to ensure that such transactions do not harm the interests of MHC or the common interests of the shareholders:

- The Compliance Manual, which compiles the basic policies for promoting compliance by the Group, clearly prohibits transactions that constitute conflicts of interest and preferential transactions.
- When a transaction takes place between MHC and its Directors or Audit & Supervisory Committee Members, the appropriateness of the terms of the transaction, as well as the manner of determination thereof, are deliberated in advance at meetings of the Board of Directors before a decision is made.
- In view of the importance of MHC offering credit to major shareholders and to MHC's subsidiaries, when the amount of credit exceeds a certain percentage of their total assets, based on the internal rules, the appropriateness of the amount of the credit offering, as well as the manner of determination thereof, are deliberated in advance at meetings of the Board of Directors before a decision is made regarding such credit offering.
- Regarding deliberations and resolutions of the Board of Directors concerning transactions between MHC and a company in which an MHC Director concurrently serves as an officer, the fairness of the deliberations is guaranteed by requesting such Director to recuse from participating in them.
- Audit & Supervisory Committee Members and the Accounting Auditor audit the status of transactions between related parties.

### VI Other

#### VI-1 Policies for Cross-shareholdings and Basis for Exercising Voting Rights (Principle 1.4)

##### 1. Policies for Cross-shareholdings

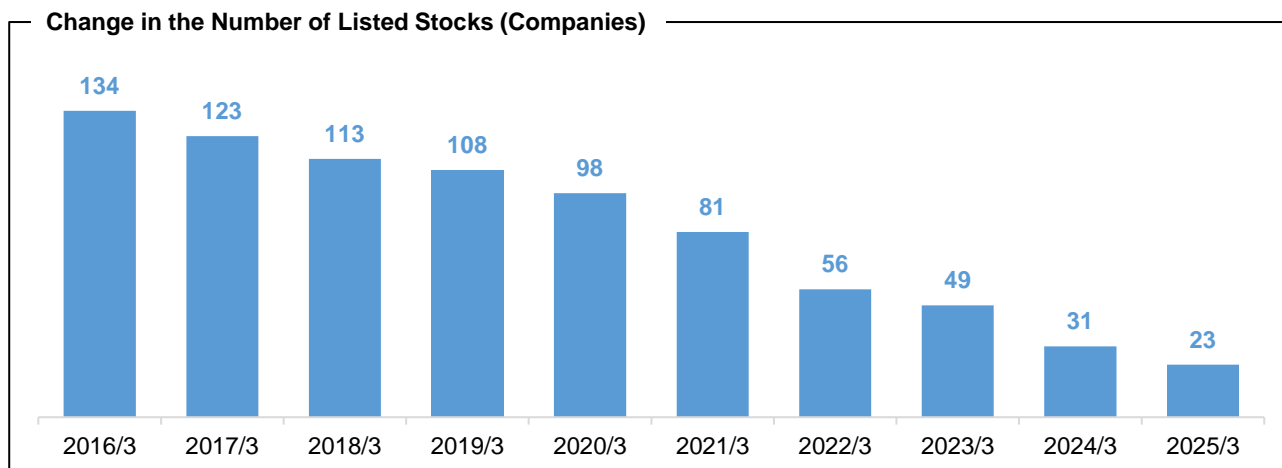
Under the corporate policy for enhancing its corporate value, MHC holds listed stocks for the purposes of ① and ② below:

- ① Developing stable and long-term relationships with business partners and promoting business
- ② Strengthening such relationships based on capital/business alliances, and creating new business opportunities

In its cross-shareholding practice, MHC's basic policy is to regularly examine if it is rational to hold each stock and sell those that are judged no longer rational to hold, after gaining understanding of its business partners while considering the impact of sales on businesses and markets.

Even when it is judged as rational to hold stocks, MHC may sell such stocks in consideration of the impact of the risk of mark-to-market valuation fluctuation of the stocks on MHC's finances, capital efficiency, etc.

The change in the number of listed stocks held since March 31, 2016 is as follows. The number decreased from 134 to 23 as of March 31, 2025.

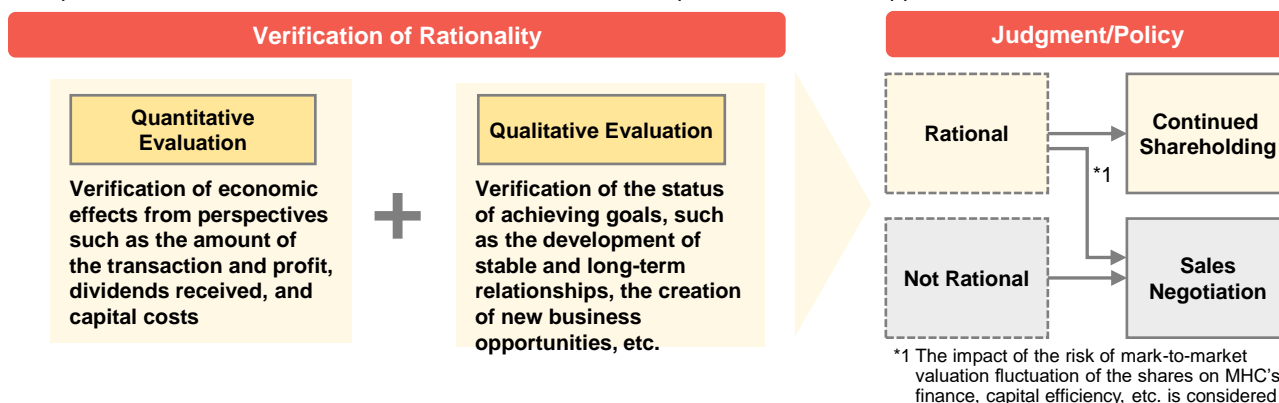


(Note) The numbers for March 2016 to March 2021 are the totals of those from the former Mitsubishi UFJ Lease & Finance and Hitachi Capital. The numbers for March 2017 to March 2021 do not include the numbers of stocks cross-held by both companies.

## 2. Method for Verifying the Rationality of Cross-shareholdings

MHC's cross-shareholding policy is decided based on ① and ② below and its rationality is verified at the Board of Directors. (See the figure below.)

- ① A quantitative evaluation based on factors including the amounts of business transactions/profits, dividends received, and capital costs
- ② A qualitative evaluation of the business activities to date and potential business opportunities in the future



## 3. Verification of the Rationality by the Board of Directors

The Board of Directors examined the listed shares using the manner in 2. Above at the Board of Directors meeting held in fiscal year 2024.

## 4. Basis for Exercising Voting Rights

MHC exercises its voting rights for cross-shareholdings in light of the purposes described in 1. above.

Concerning the following agendas which MHC thinks may affect the enhancement of corporate value and the sustainable growth of MHC and its business partners over the medium to long term, MHC exercises its voting rights after carefully verifying their details and potential impact:

- Agenda on the disposal of surplus
- Agenda on the election of Directors and auditors
- Agenda on organizational restructuring
- Agenda on anti-takeover measures, etc.




## VI-2 Roles of Corporate Pension Funds as Asset Owners (Principle 2.6)

MHC integrated the two types of corporate pension plans (contract-type and fund-type), which had been in operation since before the business integration in 2021, into the contract-type corporate pension plan in April 2024. MHC has constructed the system below to fulfill the functions expected of an asset owner.

- The pension system is operated through appropriate asset allocation by defining a policy asset mix (an asset allocation plan for the entire pension system to be formulated on a medium- to long-term basis) of pension assets in order to secure long-term returns, with the aim of ensuring asset management that secures a stable source of benefits in the future.
- MHC established the Basic Policy Concerning the Management of Pension Assets to address conflicts of interest between the beneficiaries of the corporate pension plan (employees) and MHC, with a view toward maximizing the interests of beneficiaries. In particular, it conducts appropriate decision-making in consideration of (1) rigorous evaluations of the asset management institution based on evaluations by a specialized body on “qualitative evaluation primarily of business operations, reputation in society, and investment policies (stewardship code, policy on ESG initiatives, etc.)” and (2) the opinions of the Asset Management Committee.
- Those who engage in asset management develop knowledge by participating in training sessions and seminars conducted by the asset management institution and other organizations.

## [List of Disclosures Based on Corporate Governance Code]

 : Principles subject to disclosure requirements

Corporate Governance Code			Status		Relevant Pages of this Report or Links to MHC's Website	
Basic Principles	Principles	Supplementary Principles	Compliance	Explanation		
Chapter 1						
Securing the Rights and Equal Treatment of Shareholders	1-1.	Rights Protection of Shareholders	-	●	(Page 16 of this Report) III Implementation of Measures for Shareholders and Other Stakeholder	
			1-1①	●		
			1-1②	●		
			1-1③	●		
	1-2.	Exercise of Shareholder Rights at General Shareholder Meetings	-	●	(Page 16 of this Report) 1. Measures to Vitalize the General Meetings of Shareholders and Ensure the Smooth Exercise of Voting Rights	
			1-2①	●		
			1-2②	●		
			1-2③	●		
			1-2④	●		
			1-2⑤	●		
	1-3.	Basic Strategy for Capital Policy	-	●	Medium-term Management Plan “Premise for Business Strategies (Financial Strategies that Support the Evolution and Layering of Business Models)” on page 16 and “Financial Targets” on page 6: <a href="https://www.mitsubishi-hc-capital.com/pdf/english/investors/mp_en_2023-2025.pdf">https://www.mitsubishi-hc-capital.com/pdf/english/investors/mp_en_2023-2025.pdf</a>	
	1-4.	Cross-Shareholdings	-	●	(Page 55 of this Report) VI-1. Policies for Cross-shareholdings and Basis for Exercising Voting Rights	
			1-4①	●		
			1-4②	●		
	1-5.	Anti-takeover Measures	-	●		
			1-5①	●		
	1-6.	Capital Policy that may Harm Shareholder Interests	-	●		
	1-7.	Related-party Transactions	-	●	(Page 55 of this Report) V-2. Procedures for Approving Related Party Transactions	
Chapter 2						
Appropriate Cooperation with Stakeholders other than Shareholders	2-1.	Business Principles as the Foundation of Corporate Value Creation over the Mid- to Long-Term	-	●	Basic Management Policy (Our Mission, Our Vision): <a href="#">Basic Management Policy   About Us   Mitsubishi HC Capital (mitsubishi-hc-capital.com)</a> Medium-term Management Plan “Positioning of the 2025 MTMP and Value Creation Process” on pages 9 to 12: <a href="https://www.mitsubishi-hc-capital.com/pdf/english/investors/mp_en_2023-2025.pdf">https://www.mitsubishi-hc-capital.com/pdf/english/investors/mp_en_2023-2025.pdf</a>	
	2-2.	Code of Conduct	-	●	Basic Management Plan (Action Principles): <a href="#">Basic Management Policy   About Us   Mitsubishi HC Capital (mitsubishi-hc-capital.com)</a> Medium-term Management Plan “Positioning of the 2025 MTMP” and “Value Creation Process” on pages 9 to 12: <a href="https://www.mitsubishi-hc-capital.com/pdf/english/investors/mp_en_2023-2025.pdf">https://www.mitsubishi-hc-capital.com/pdf/english/investors/mp_en_2023-2025.pdf</a> Mitsubishi HC Capital Group Code of Ethics and Code of Conduct: <a href="https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/various_policies/ethics.pdf">https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/various_policies/ethics.pdf</a>	
			2-2①	●	Compliance: <a href="#">Compliance   Governance   Mitsubishi HC Capital (mitsubishi-hc-capital.com)</a> Mitsubishi HC Capital Group Code of Ethics and Code of Conduct:	

Corporate Governance Code			Status		Relevant Pages of this Report or Links to MHC's Website	
Basic Principles	Principles	Supplementary Principles	Compliance	Explanation		
					<a href="https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/various_policies/ethics.pdf">https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/various_policies/ethics.pdf</a>	
	2-3.	Sustainability Issues, Including Social and Environmental Matters	-	•	(Page 49 of this Report) IV-1 Actions on Sustainability and Investment in Human Capital and Intellectual Property, etc.	
			2-3①	•		
	2-4.	Ensuring Diversity, Including Active Participation of Women	-	•	Diversity, Equity & Inclusion Promotion Initiatives: <a href="https://www.mitsubishi-hc-capital.com/english/sustainability/social/employees_and_families.html">https://www.mitsubishi-hc-capital.com/english/sustainability/social/employees_and_families.html</a>	
			2-4①	•	(Page 53 of this Report) IV-2 Ensuring Diversity in Key Personnel within the Organization	
	2-5.	Whistleblowing	-	•	Whistleblowing System: <a href="https://www.mitsubishi-hc-capital.com/english/sustainability/governance/compliance.html">https://www.mitsubishi-hc-capital.com/english/sustainability/governance/compliance.html</a>	
			2-5①	•		
	2-6.	Roles of Corporate Pension Funds as Asset Owners	-	•	(Page 57 of this Report) VI-2 Roles of Corporate Pension Funds as Asset Owners	
	Chapter 3					
	Ensuring Appropriate Information Disclosure and Transparency	3-1.	Full Disclosure	-	•	Information Disclosure Policy: <a href="https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/various_policies/disclosure.pdf">https://www.mitsubishi-hc-capital.com/pdf/english/sustainability/various_policies/disclosure.pdf</a>
(i)				•	(Page 27 of this Report) I-1 Basic Management Policy (Our Mission, Our Vision, and Action Principles), Materiality (Page 28) I-2 Medium-to Long-term Management Direction (Page 29) I-3 Value Creation Process, Medium-term Management Plan	
(ii)				•	(Page 29 of this Report) I-4 Basic Views and Policies on Corporate Governance	
(iii)				•	(Page 44 of this Report) III-6 Policies and Procedures for Determining Remuneration of Directors and Management	
(iv)				•	(Page 39 of this Report) III-1 Policies and Procedures for Appointment and Dismissal of Directors	
(v)				•	(Page 40 of this Report) III-2 Reasons for Appointment, Dismissal, and Nomination of Directors	
3-1①				•		
3-1②				•	English website: <a href="https://www.mitsubishi-hc-capital.com/english/">https://www.mitsubishi-hc-capital.com/english/</a>	
3-1③				•	(Page 49 of this Report) IV-1 Actions on Sustainability and Investment in Human Capital and Intellectual Property, etc.	
3-2.		External Auditors	-	•		
			3-2①	•	(Page 33 of this Report) II-3 Overview of Each Organization, Status of Activities, etc.	
			3-2②	•	(Page 10 of this Report) [Audit & Supervisory Committee] (Page 33 of this Report) II-3 Overview of Each Organization, Status of Activities, etc.	
Chapter 4						
Responsibilities of the Board	4-1.	Roles and Responsibilities of the Board (1)	-	•		
			4-1①	•	(Page 30 of this Report) II-1 Scope of Delegation to Management	
			4-1②	•		
			4-1③	•		

Corporate Governance Code			Status		Relevant Pages of this Report or Links to MHC's Website
Basic Principles	Principles	Supplementary Principles	Compliance	Explanation	
	4-2.	Roles and Responsibilities of the Board (2)	-	•	(Page 13 of this Report) [Incentives]
			4-2①	•	(Page 44 of this Report) III-6 Policies and Procedures for Determining Remuneration of Directors and Management
			4-2②	•	(Page 49 of this Report) IV-1 Actions on Sustainability and Investment in Human Capital and Intellectual Property, etc.
	4-3.	Roles and Responsibilities of the Board (3)	-	•	(Page 19 of this Report) 1. Basic Views on Internal Control System and the Progress of System Development (Page 24 of this Report) 2. Other Matters Concerning Corporate Governance Framework, etc. (Page 39 of this Report) III-1 Policies and Procedures for Appointment and Dismissal of Directors (Page 54 of this Report) V-2 Procedures for Approving Related Party Transactions  Risk Management: <a href="https://www.mitsubishi-hc-capital.com/english/sustainability/governance/risk_management.html">https://www.mitsubishi-hc-capital.com/english/sustainability/governance/risk_management.html</a>
			4-3①	•	(Page 39 of this Report) III-1 Policies and Procedures for Appointment and Dismissal of Directors
			4-3②	•	
			4-3③	•	(Page 39 of this Report) III-1 Policies and Procedures for Appointment and Dismissal of Directors
			4-3④	•	(Page 19 of this Report) 1. Basic Views on Internal Control System and the Progress of System Development (Page 34 of this Report) 4. Status of Audits
	4-4.	Roles and Responsibilities of Auditors, and the Board of Auditors	-	•	(Page 34 of this Report) 4. Status of Audits
			4-4①	•	
	4-5.	Fiduciary Responsibilities of Directors, and Auditors	-	•	
	4-6.	Business Execution and Oversight of the Management	-	•	(Page 12 of this Report) [Independent Directors] (Page 30 of this Report) II-2 Views on the Appropriate Balance of Knowledge, Experience and Skills, Diversity, and Size of the Board of Directors as a Whole
	4-7.	Roles and Responsibilities of Independent Directors	-	•	
	4-8.	Effective Use of Independent Directors	-	•	(Page 30 of this Report) II-2 Views on the Appropriate Balance of Knowledge, Experience and Skills, Diversity, and Size of the Board of Directors as a Whole
			4-8①	•	(Page 33 of this Report) 1. Matters Concerning the Board of Directors
			4-8②	•	(Page 14 of this Report) [Supporting System for Outside Directors (Outside Audit & Supervisory Committee Members)]
			4-8③	-	Not applicable to MHC
	4-9.	Independence Standards and Qualification for Independent Directors	-	•	(Page 43 of this Report) III-3 Outside Directors' Independence Judgment Criteria

Corporate Governance Code			Status		Relevant Pages of this Report or Links to MHC's Website	
Basic Principles	Principles	Supplementary Principles	Compliance	Explanation		
	4-10.	Use of Optional Approach	-	●	(Page 11 of this Report) [Voluntary Establishment of Committees]	
			4-10①	●	(Page 44 of this Report) III-5 Establishment of Independent Nomination Committee and Compensation Committee	
	4-11.	Preconditions for Board, and Board of Auditors Effectiveness	-	●	(Page 30 of this Report) II-2 Views on the Appropriate Balance of Knowledge, Experience and Skills, Diversity, and Size of the Board of Directors as a Whole	
			4-11①	●		
			4-11②	●	(Page 44 of this Report) III-4 Information on Outside Directors Who Have Concurrent Posts	
			4-11③	●	(Page 37 of this Report) II-4 Overview and Results of Analysis and Assessment of the Effectiveness of the Board of Directors	
	4-12.	Active Board Deliberations	-	●		
			4-12①	●	(Page 14 of this Report) [Supporting System for Outside Directors (Outside Audit & Supervisory Committee Members)]	
	4-13.	Information Gathering and Support Structure	-	●	(Page 14 of this Report) [Supporting System for Outside Directors (Outside Audit & Supervisory Committee Members)]	
			4-13①	●	(Page 10 of this Report) Cooperation among the Audit & Supervisory Committee, Financial Auditors, and Internal Audit Department	
			4-13②	●	(Page 19 of this Report) 1. Basic Views on Internal Control System and the Progress of System Development	
			4-13③	●	(Page 34 of this Report) 4. Status of Audits	
	4-14.	Director and Auditors Training	-	●	(Page 39 of this Report) II-5 Training Policy for Directors	
			4-14①	●		
			4-14②	●		
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Responsibilities of the Board	5-1.	Policy for Constructive Dialogue with Shareholders	-	●	(Page 54 of this Report) V-1 Policies for the Establishment of Systems and Efforts for Promoting Constructive Dialogue with Stakeholders	
			5-1①	●		
			5-1②	●		
			5-1③	●		
	5-2.	Establishing and Disclosing Business Strategies and Business Plans	-	●	Medium-term Management Plan: <a href="https://www.mitsubishi-hc-capital.com/pdf/english/investors/mp_en_2023-2025.pdf">https://www.mitsubishi-hc-capital.com/pdf/english/investors/mp_en_2023-2025.pdf</a>	
			5-2①	●	(Page 29 of this Report) I-3 Value Creation Process, Medium-term Management Plan	