SECOND PARTY OPINION

MITSUBISHI HC CAPITAL INC.

SUSTAINABLE FINANCE FRAMEWORK

Prepared by: DNV Business Assurance Japan K.K.

Location: Kobe, Japan

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Revision history

Revision number	Date of issue	Remarks
0	20 December 2024	Initial
1	31 October 2025	• Reassessment of eligibility due to framework revisions along with the addition of KPIs/SPTs • Reassessment of eligibility due to the incorporation and updating of additional requirements resulting from the update to the latest versions of the applicable standards (GBP/GBGL, GLP/GLGL, SBP, SLP, SLBGL, SLLP/SLLGL)

Disclaimer

Our assessment relies on the premise that the data and information provided by Fundraiser to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct[1] during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

[1] DNV Code of Conduct is available from DNV website (www.DNV.com)

Executive Summary

Mitsubishi HC Capital Inc. (hereinafter, "Mitsubishi HC Capital" or the "Company") was born in April 2021 from the business integration of Mitsubishi UFJ Lease & Finance and Hitachi Capital.

Since the business integration on 1 April 2021, Mitsubishi HC Capital has been building partnerships with numerous stakeholders globally and has considered itself to have the huge potential capability to contribute and solve social issues. With this potential, the Company established "Our Mission" as its aspiration to create social value together with its customers and partners and contribute to a sustainable and prosperous future, and "Our Vision" as what the Company should aim for in order to realize this aspiration.

Mitsubishi HC Capital sets "Our 10-year Vision" as "Together we innovate, challenge and explore the frontiers of the future," to realize "Our Mission," which is its long-term goal. Mitsubishi HC Capital addresses social issues that can be solved only by the Company through approaches such as SX (sustainability transformation) and DX (digital transformation) with its customers and partners, anticipating the changes in the society and business environment including changing global industry structures, accelerating digitalization, and the increasing importance of sustainability.

Mitsubishi HC Capital has formulated the "Transition Plan toward the Realization of a Carbon-neutral Society" (hereinafter, the "Transition Plan") in June 2025. This initiative is to address the challenge of "promotion of a decarbonized society" and represents an effort to "shift toward sustainable and resilient assets," based on various guidelines such as the TPT Disclosure Framework and the "Basic Guidelines on Climate Transition Finance."

To accelerate these initiatives, Mitsubishi HC Capital Group (hereinafter, "Mitsubishi HC Capital Group" or the "Group") developed the "Sustainable Finance Framework" (hereinafter, the "Framework") in December 2024, and updated it with the addition of KPIs/SPTs closely related to the Transiton Plan.

Furthermore, Mitsubishi HC Capital positions the implementation of Green/Social/Sustainability/Sustainability-Linked Finance as an opportunity to raise funds to solve social issues and promote sustainability initiatives, and to communicate the Company's initiatives once again to its stakeholders.

DNV Business Assurance Japan K.K. (hereinafter, "DNV"), as the external reviewer, evaluated the eligibility of the Framework. Specifically, DNV applied the frameworks (principles, guidelines, etc.), centered on the following, to provide an eligibility assessment of the Framework.

Green Finance:

- Green Bond Principles (International Capital Market Association (ICMA), 2025; hereinafter, “GBP”)
- Green Bond Guidelines (Ministry of the Environment of Japan, 2024; hereinafter, “GBGL”)
- Green Loan Principles (Loan Market Association (LMA) et al., 2025; hereinafter, “GLP”)
- Green Loan Guidelines (Ministry of the Environment of Japan, 2024; hereinafter, “GLGL”)

Social Finance:

- Social Bond Principles (International Capital Market Association (ICMA), 2025; hereinafter, “SBP”)
- Social Bond Guidelines (Financial Services Agency of Japan, 2021; hereinafter, “SBGL”)
- Social Loan Principles (Loan Market Association (LMA) et al., 2025; hereinafter, “SLP”)

Sustainability Finance:

- Sustainability Bond Guidelines (International Capital Market Association (ICMA), 2021; hereinafter, “SBG”)

Sustainability-Linked Finance:

- Sustainability-Linked Bond Principles (International Capital Market Association (ICMA), 2025; hereinafter, “SLBP”)
- Sustainability-Linked Bond Guidelines (Ministry of the Environment of Japan, 2024; hereinafter, “SLBGL”)
- Sustainability-Linked Loan Principles (Loan Market Association (LMA) et al., 2025; hereinafter, “SLLP”)
- Sustainability-Linked Loan Guidelines (Ministry of the Environment of Japan, 2024; hereinafter, “SLLGL”)

The eligibility assessment results for each of the common elements presented in the above frameworks are summarised below.

<SF eligibility assessment results>

DNV has confirmed the following through the documents and information provided by Mitsubishi HC Capital. SF-1 to SF-4 below are findings and DNV’s opinion on the four common elements of GBP/GLP/SBP/SLP/SBG (*including GBGL/GLGL and SBGL), a Sustainable Finance (SF) with specific use of proceeds (green/social projects) (including GBGL/GLGL and SBGL).

SF-1. Use of Proceeds:

DNV has confirmed that the proceeds from Sustainable Finance meet the representative eligibility criteria in Table-1 as indicated in GBP/GBGL, SBP/SBGL, GLP/GLGL, SLP, and SBG and are planned to be allocated to five nominated green/social projects. See Table-1 and Schedule-1 for an overview of the eligible projects.

SF-2. Process for Project Evaluation and Selection:

DNV has confirmed that the evaluation and selection of the eligible projects in Sustainable Finance are subject to financial assessment by the department in charge and, depending on the amount of the project, the approval by an approver between General Manager and the Board of Directors, and that Treasury Department of Mitsubishi HC Capital or its group companies will be responsible for selecting eligible projects and determining whether approved projects are eligible for the proceeds allocation.

The five eligible categories evaluated and selected through the above process correspond to “Promote a decarbonized society” and “Realize healthy lifestyles that promote positive wellbeing” of the materialities identified by Mitsubishi HC Capital Group, are closely related to the Company’s management philosophy and vision, and are consistent with the Company’s initiatives to solve social issues and address sustainability.

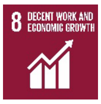
Table-1 Sustainable Finance Eligibility Criteria

[Green Projects]

Eligible Category and Environmental Objectives	Eligible Projects	Relevant SDGs Items
Renewable Energy (Environmental Objectives: Climate Change Mitigation)	◆ Acquisition and/or refinancing for acquisition of solar power generation facilities, wind power generation facilities and/or storage batteries that contribute to the expansion of renewable energy, acquisition and/or refinancing for acquisition of the assets subject to lease and/or installment sales, and/or new loans, investments and/or refinancing for development, construction (repairs and renovations), acquisition and/or operation & maintenance of the assets. ・ Only those projects that can confirm compliance with relevant laws and regulations, such as environmental assessments and the Forest Act in construction and installation of the facility, where applicable. * Including intercompany loans to the subsidiaries involved in the business set forth in the above.	 
Green Buildings (Environmental Objectives: Climate Change Mitigation)	◆ Acquisition and/or refinancing for acquisition of the properties (office buildings, commercial facilities, hotels, warehouses, and/or residences), which are subject to lease and/or installment sales, that have received and/or will receive one of the following green building certifications and/or new loans, investments and/or refinancing for development (repairs and renovations) and/or acquisition of the assets. ・ CASBEE: Rank A or above (including CASBEE by local governments) ・ DBJ Green Building Certification 5 Stars or 4 Stars ・ BELS Certification (FY2016 standard): 5 Stars ・ BELS Certification (FY2024 standard): The following levels ➢ Non-residential: 6 Levels or 5 Levels ➢ Residential with renewable energy facilities: 6 Levels or 5 Levels ➢ Residential without renewable energy facilities: 4 Levels ・ LEED Certification: Platinum or Gold ・ ZEB Certification: ZEB, Nearly ZEB, ZEH-M, or Nearly ZEH-M ・ Green building certifications administered in each country	 

	or region: Top two ranks * In the case of investments and loans to special purpose companies, only those specialized in green building related business or those with at least 90% of assets in green building-related ones are eligible. * Facilities equipped with freezer and refrigerator must be designed in an eco-friendly manner, such as using natural refrigerant. * Including intercompany loans to the subsidiaries involved in the business set forth in the above.	
Energy Efficiency (Environmental Objectives: Climate Change Mitigation)	◆ Acquisition and/or refinancing for acquisition of equipment, which is subject to lease and/or installment sales, that is expected to reduce CO_2 emissions, such as LEDs, air conditioners, and/or highly efficient machine tools that meet any of the following conditions and/or new loans, investments and/or refinancing for acquisition of the assets. ・ The installation of a complete set of facilities is expected to improve the energy efficiency of the entire contract by 20% or more if the energy source is solely electricity, and by 30% or more if the energy source includes sources other than electricity. (Energy efficiency is calculated by comparing the performance before and after the upgrade in the case of a renewal, or by comparing the performance of the same equipment prior to one cycle in the case of a new installation). ・ It can be expected that clear improvements in energy efficiency will be achieved through the installation of equipment that can be confirmed as the best economically available technology, i.e., equipment that meets international green standards and/or is recognized as a top-performing product by nations or industries, etc. * Including intercompany loans to the subsidiaries involved in the business set forth in the above.	 
Clean Transportation (Environmental Objectives: Climate Change Mitigation)	◆ Acquisition and/or refinancing for acquisition of EV, PHV, FCV and/or charging infrastructure, acquisition and/or refinancing for acquisition of the assets subject to lease and/or installment sales, and/or new loans, investments and/or refinancing for acquisition and/or operation & maintenance of the assets. * Including intercompany loans to the subsidiaries involved in the business set forth in the above.	 

[Social Projects]

Eligible Category and Target Populations	Eligible Projects	Relevant SDGs Items
Access to Essential Services (Target Populations: Nursing Care Providers and Medical Service Providers, Patients (the general public))	◆ Nursing reward and medical fee receivable factoring. (financing to nursing care providers and medical institutions for them to meet short-term liquidity) * Only those to nursing care providers and medical institutions generating at least 90% of their revenue from medical practices covered by Japanese public medical insurance are eligible. ◆ Acquisition and/or refinancing for acquisition of medical equipment, which is subject to lease and/or installment sales, that meet any of the following conditions and/or new loans, investments and/or refinancing for development and/or acquisition of the assets. ・ It can be confirmed that the medical equipment will be introduced in hospitals or clinics operated by public hospitals, social medical corporations and social welfare corporations. ・ It can be confirmed that the medical care provided by the medical equipment will be accessible to low-income populations. * Including intercompany loans to the subsidiaries involved in the business set forth in the above.	  

SF-3. Management of Proceeds:

The net proceeds or equivalent will be managed by Treasury Department of Mitsubishi HC Capital or its group companies using internal management files etc. As long as the balance of the proceeds is outstanding, Mitsubishi HC Capital or its group companies will check once a year to ensure not to exceed the aggregate amount of the eligible projects. In the event that the entire proceeds are not immediately allocated to the eligible projects, or if unallocated proceeds arise due to repayment or any other reasons, the unallocated amount will be identified and held in cash or cash equivalents until the proceeds are allocated to the eligible projects.

SF-4. Reporting:

DNV has confirmed that Mitsubishi HC Capital or its group companies will disclose the amount of the balance of the proceeds, net proceeds allocated to eligible projects by eligible category, net proceeds allocated to the expenses of existing eligible projects, and the balance of the amount equal to the net proceeds that is unallocated as of such date, if any, as long as the balance of the proceeds is outstanding on the Company's or its group companies' website (in the case of loans, the Company or its group companies will report to the lender and disclose on website as long as possible). The first report is planned to be made available within one year from the execution of Sustainable Finance.

<SLF eligibility assessment results>

SLF-1 to SLF-5 are findings and DNV's opinion on the five elements of SLBP/SLLP and SLBGL/SLLGL for Sustainability-Linked Finance (SLF) with general corporate purpose.

SLF-1. Selection of Key Performance Indicators (KPIs):

The KPI set by Mitsubishi HC Capital Group (the reduction rate of GHG emissions in Scope1 and 2 of Mitsubishi HC Capital and its major consolidated subsidiaries), shown in Table-2, is an important indicator set out as non-financial targets in the "Medium-term Management Plan for FY2023–FY2025 (hereinafter, the "2025 Medium-term Plan")" and facilitates "Promote a decarbonized society" of "Our Vision" and the materiality. The selection of KPI was based on a rational process, and the KPI is clearly defined, is considered as measurable and verifiable, robust and reliable in accordance with SLBP/SLLP.

As for KPI-1, DNV has confirmed through the review the adequacy of setting Scope 1 and 2 as a KPI, after sharing with Mitsubishi HC Capital the importance of Scope 3 reductions, as the initiatives to reduce Scope 1 and 2 may lead to the accumulation of effective knowledge and know-how for planning and achieving realistic targets for Scope 3 reductions in the future, in addition to the priority importance of Scope 1 and 2 reductions at present.

As for KPI-2 and KPI-3, they are key indicators for emissions reduction from aircraft leasing transactions (Scope 3 Category 13 Downstream Leased Assets), which constitute the significant share of Mitsubishi HC Capital's greenhouse gas emissions (Scope 3) and are high-emission transactions, and real estate transactions (Scope 3 Category 15 Investments). As for KPI-4, it is the key indicator for the "shift toward sustainable and resilient assets," which is a theme for a value creation initiative outlined in Mitsubishi HC Capital's Transition Plan. KPI-2 through KPI-4 all represent key initiatives for each Mitsubishi HC Capital business based on the Transition Plan. These KPIs are clearly defined, measurable and verifiable, and are considered to have robustness and reliability in accordance with SLBP/SLLP.

Furthermore, the Group has calculated greenhouse gas emissions for certain transactions involving aircraft leasing transactions (Scope 3 Category 13 Downstream Leased Assets) and real estate transactions (Scope 3 Category 15 Investments), which are high-emission transactions, and has obtained third-party assurance.

SLF-2. Calibration of Sustainability Performance Targets (SPTs):

The SPT-1 for Mitsubishi HC Capital or its group companies shown in Table-3 is based on the TCFD recommendations and the 2025 Medium-term Plan, which set medium- and long-term non-financial targets for the Group's GHG emissions (Scope 1 and 2) of a 55% reduction by FY2030 (base year: FY2019) in the medium-term and net zero by FY2050 in the long-term. DNV has confirmed that achieving the SPT would be a pathway for Mitsubishi HC Capital to achieving its medium- and long-term targets and reducing Scope 3. DNV has also confirmed that the GHG emission reduction targets are ambitious and set to meet the levels required by the Paris Agreement. As the Group has a large number of sites globally, it needs to adapt to the systems and environments of each country, which makes its initiatives more challenging than for companies that have sites only in Japan. In addition, the fact that the majority of the Group's sites are operated as tenants means that its contribution to reducing

GHG emissions is likely to be limited, and the Group's contribution to GHG emissions reduction can be judged as an ambitious goal that goes beyond "Business as Usual."

Additionally, SPT-2 to SPT-4 represent individual business-level targets for Mitsubishi HC Capital Group. Each is closely linked to investment plans for decarbonization based on the Transition Plan, with key initiatives for each business set as KPIs. Furthermore, SPT-2 and SPT-3 can be considered as ambitious targets as they contribute to reducing Scope 3 emissions, which constitute the significant share of the Group's greenhouse gas emissions. SPT-4 can also be considered as an ambitious target as it significantly contributes to and accelerates efforts to shift toward sustainable and resilient assets, which is a theme for value creation under the Transition Plan. Mitsubishi HC Capital and its group companies will not use SPT-2 to SPT-4 independently in sustainability-linked finance but will use them as sub-SPT under SPT-1.

DNV has confirmed through the review that Mitsubishi HC Capital Group's plans are feasible for achieving the SPT.

SLF-3. Finance Characteristics:

The financial characteristics of the Sustainability-Linked Finance based on the Framework will change according to the achievement of the SPT. The contents of these changes are identified in the statutory disclosure documents (for bonds) or contractual documents (for loans) at the time of each finance implementation, and include "step up/step down in interest rates" or "donations."

However, if unforeseeable circumstances at the time of sustainability-linked finance implementation arise that could significantly impact the measurement methods and scope of KPIs, the calibration of SPTs, or the underlying assumptions (such as M&A activities, substantial changes in regulatory frameworks, or the occurrence of abnormal events), the explanations on such changes will be disclosed on Mitsubishi HC Capital or its group companies websites (for bonds) or in the contract documents (for loans). Furthermore, in cases of significant changes to the calibration of SPTs, or when it is determined that SPTs can be achieved early and maintained until the determination date with ease, Mitsubishi HC Capital or its group companies will consult with stakeholders regarding setting SPTs with an ambition level equivalent to or higher than the previous evaluation criteria, taking these changes into account. If necessary, they will obtain a second party opinion from a third-party evaluation body.

SLF-4. Reporting:

The progress etc. of the SPT against the KPI required by the SLF will be disclosed (reported to the lender and disclosed on website as long as possible in the case of loans) on an annual basis on Mitsubishi HC Capital's or its group companies' website.

SLF-5. Verification:

Mitsubishi HC Capital or its group companies will receive independent verification from an external body with regard to the KPI-related data.

Table-2 Mitsubishi HC Capital Sustainability-Linked Finance KPIs

KPIs	Description and Explanation of KPI
KPI-1: The reduction rate of GHG emissions in Scope1 and 2	[Description] Based on the total GHG emissions (Scope 1 and 2) calculated using the calculation rules of the GHG Protocol, which includes the Company and its major consolidated subsidiaries as the aggregation scope, the Group has calculated the reduction rate from FY 2019. [Explanation] This KPI is aligned with the key objectives set forth in the Mitsubishi HC Capital Group's "Medium-term Management Plan for FY2023–FY2025 (hereinafter, the "2025 Medium-term Plan")." It supports the "promotion of a decarbonized society" as indicated in "Our Vision" and materialities (key issues), and is quantitative, continuously measurable, and externally verifiable.
KPI-2: Percentage of New Generation Aircraft in Our Portfolio	[Description] The business of Jackson Square Aviation, a subsidiary of the Company is applied. "New Generation Aircraft" is defined as fuel-efficient aircraft that emit less CO_2 compared with the current generation. Models: A220, A320NEO, A321NEO, A330NEO, A350, B737MAX, B787. Targets and results are both calculated based on net book value. [Explanation] This KPI serve as an indicator for key initiatives in Mitsubishi HC Capital's Transition Plan for its aviation business. It is a core KPI for reducing emissions in the aviation business under Category 13 (Downstream Leased Assets), which constitutes the significant share of the company's greenhouse gas emissions (Scope 3), and is quantitatively and continuously measurable based on the methodology established by Mitsubishi HC Capital.
KPI-3: Percentage of Green Buildings in Our Real Estate Portfolio	[Description] In the real estate business, the share (number of buildings) of environmentally certified properties (CASBEE, DBJ Green Building, BELS, etc.) or buildings using 100% renewable energy among assets over which the Group has some degree of control (Mitsubishi HC Capital Realty's investment properties) and assets under management by the Group's asset management companies with the Company acting as a sponsor (Mitsubishi HC Capital Realty Advisers' private REITs + CenterPoint Development's private placement funds) [Explanation] This KPI serve as an indicator for key initiatives in Mitsubishi HC Capital's Transition Plan for its real estate business. It is a core KPI for reducing emissions in the real estate business under Category 15 (Investments), which constitutes the significant share of the Company's greenhouse gas emissions (Scope 3), and is quantitatively and continuously measurable based on the methodology established by Mitsubishi HC Capital.
KPI-4: Total New Transactions Volume of Leasing of	[Description] KPI-4 : Total transactions volume of leasing mainly of the following equipment for FY2024 and beyond: 1. Equipment for which CO_2 reduction effects generally required in green finance can be expected 2. Energy-environment friendly products

Decarbonization-related Assets	3. Machinery for the ESG lease promotion business [Explanation] This KPI serves as a key indicator for important initiatives in the leasing business related to the GX Assessment Lease under Mitsubishi HC Capital's Transition Plan. It is a core KPI for the “shift toward sustainable and resilient assets,” which is a theme for a value creation initiative in the Transition Plan, and is quantitatively and continuously measurable based on the methodology established by Mitsubishi HC Capital.

Table-3 Mitsubishi HC Capital Sustainability-Linked Finance SPTs

SPTs	Description and Explanation of SPT
SPT-1: A target for each fiscal year after FY2025 towards a 57% reduction of GHG in Scope 1 and 2 by FY2031 (base year: FY 2019)	This SPT is set to meet the levels required by the Paris Agreement and can be judged as an ambitious target, as its contribution to future greenhouse gas emissions will exceed that of “Business as Usual.”
SPT-2: A target for each fiscal year from FY2025 towards an 83% ratio of New Generation Aircraft in the Aircraft Portfolio by FY2031	This SPT is an individual business target for Mitsubishi HC Capital, but it can be judged as an ambitious goal from the following perspectives. • It is based on a meticulous plan closely linked to the Transition Plan and investment plan for decarbonization, within a system where the Mitsubishi HC Capital Group provides one-stop services for the entire asset lifecycle of the aviation business. • It anticipates an investment plan of approximately JPY 2 trillion in CAPEX (contract execution value targeting new aircrafts) from FY2024-2030 to achieve the FY2030 target. It also demonstrates strong commitment to achieving the target and is a crucial element ensuring effectiveness, financially underpinning the ambitious target.
SPT-3: A target for each fiscal year from FY2025 towards a 66% ratio of Green Buildings in the Real Estate Portfolio by FY2031	This SPT is an individual business target for Mitsubishi HC Capital, but it can be judged as an ambitious goal from the following perspectives. • The KPI is a key indicator for reducing emissions in the real estate business under Category 15 (Investments), which constitutes the significant share of Mitsubishi HC Capital's greenhouse gas emissions (Scope 3). Considering the FY2023 actual figure of 38%, the FY2030 target contributes to the “shift toward sustainable and resilient assets,” which is a theme for a value creation initiative in the Transition Plan. • It is based on a meticulous plan closely aligned with Mitsubishi HC Capital's Transition Plan and investment plan for decarbonization.

SPT-4: A target for each fiscal year from FY2025 towards achieving JPY 121.8Bn of total New Transactions Volume of Leasing of Decarbonization-related Assets by FY2031	This SPT is an individual business target for Mitsubishi HC Capital, but it can be judged as an ambitious goal from the following perspectives. • The business activity underlying the KPI is Mitsubishi HC Capital's GX Assessment Lease, an advanced initiative launched in July 2024 that supports its customers' introduction of low-carbon equipment based on the Green Loan Principles etc. This activity contributes to the "shift toward sustainable and resilient assets," which is a theme for a value creation initiative in the Transition Plan.

Table-4 Mitsubishi HC Capital Sustainability-Linked Finance Reporting Items

No.	Information to be Reported	Reporting Frequency
1	Performance of the KPIs	Annually until the determination dates, starting from the fiscal year following the year of issuance of each Sustainability-Linked Finance
2	Performance against the SPTs	
3	Information that may affect the achievement of the SPTs (e.g., updates to the Group's non-financial goals)	
4	If the SPTs has not been reached and "donations" are made, the amount and recipients of the donations.	Timely

Based on the Framework and other relevant documents and information provided by Mitsubishi HC Capital, DNV has confirmed that the Framework established by Mitsubishi HC Capital Group meets the relevant frameworks GBP/GBGL, GLP/GLGL, SBP/SBGL, SLP, SBG, SLBP/SLBGL, and SLLP/SLLGL, and is eligible.

I. Introduction

i. About Mitsubishi HC Capital

Mitsubishi HC Capital Inc. was born in April 2021 from the business integration of Mitsubishi UFJ Lease & Finance and Hitachi Capital. Mitsubishi HC Capital is developing advanced asset businesses in seven segments: “Customer Solutions,” “Global Customers,” “Environment & Energy,” “Aviation,” “Logistics,” “Real Estate,” and “Mobility.”

ii. Mitsubishi HC Capital’s Initiatives to ESG/SDGs

Mitsubishi HC Capital has defined its aspiration and stance in “Our Mission” and “Our Vision,” respectively, to contribute to a sustainable and prosperous future by solving social issues through its business activities and creating social value.

Mitsubishi HC Capital sets “Our 10-year Vision” as “Together we innovate, challenge and explore the frontiers of the future,” to realize “Our Mission,” which is its long-term goal. Mitsubishi HC Capital addresses social issues that can be solved only by the Company through approaches such as SX (sustainability transformation) and DX (digital transformation) with its customers and partners, anticipating the changes in the society and business environment including changing global industry structures, accelerating digitalization, and the increasing importance of sustainability.

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.

Figure-1 Mitsubishi HC Capital Our Mission, Our Vision, and Action Principles

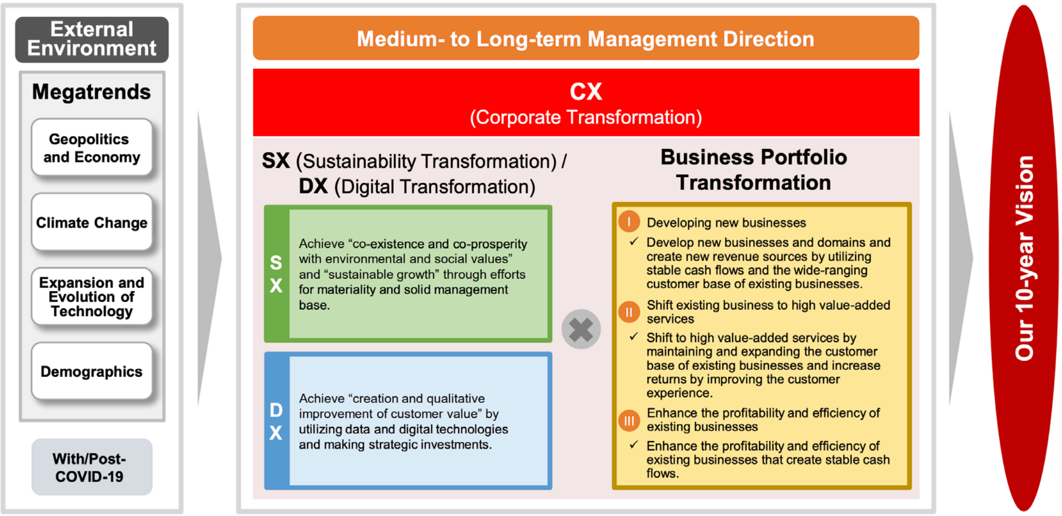


Figure-2 Mitsubishi HC Capital Medium- to Long-term Management Direction

Based on "Our Mission," Mitsubishi HC Capital has established a "Sustainability Committee" as an advisory body to the Executive Committee to better contribute to the realization of a sustainable and prosperous future. The Sustainability Committee deliberates over sustainability-related important issues, including climate change, and reports the results to the Executive Committee and the Board of Directors.

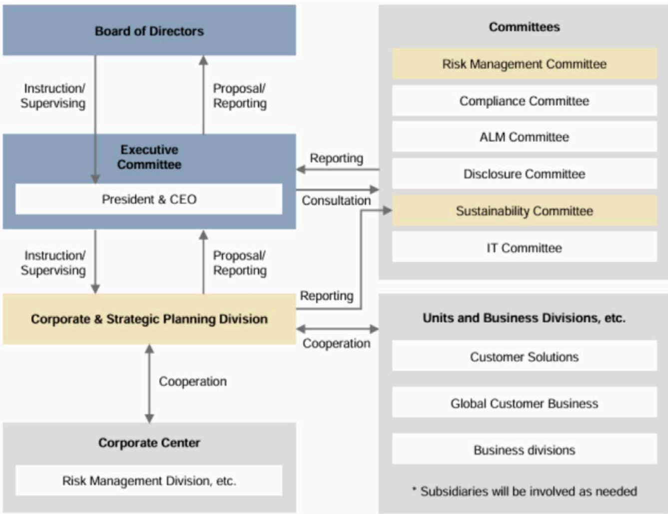


Figure-3 Mitsubishi HC Capital Sustainability Promotion Framework

iii. Mitsubishi HC Capital's Initiatives to Environmental/social Issues

Since the business integration on 1 April 2021, Mitsubishi HC Capital has been building partnerships with numerous stakeholders globally and has considered itself to have the huge potential capability to contribute and solve social issues. With this potential, the Company established Our Mission as its aspiration to create social value together with its customers and partners and contribute to a sustainable and prosperous future, and Our Vision as what the Company should aim for in order to realize this aspiration. This integrated stance of Our Mission, Our Vision, and the material issues identified in December 2021 is what makes the "Basic Sustainability Policy" of the Group.

Figure-4 How Materiality Relates to "Our Mission" and "Our Vision"

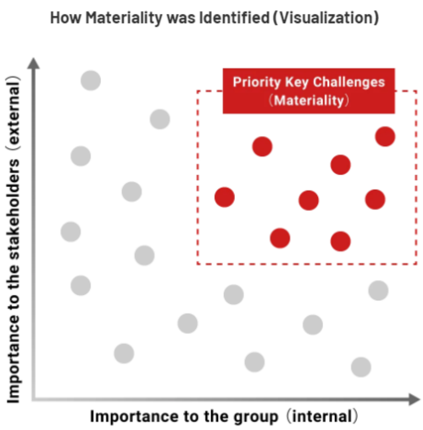
In addition, Mitsubishi HC Capital Group has implemented the following process to identify materialities (Table-3) and their relationship to the SDGs.

Identified internal ESG priority key challenges

The Company first listed wide-ranging ESG-related challenges based on related international guidelines and principles such as the ISO 26000 standards, SDGs (Sustainable Development Goals), and others. Subsequently, the Company conducted employee questionnaires and interviews throughout the Group and ascertained potential challenges in consideration of their importance for the Group as both opportunities and risks.

Identified ESG priority key challenges for external stakeholders

Via interviews with stakeholders including major customers, shareholders, and partners, the Company confirmed and listed key ESG material issues from the perspective of the stakeholders based on their professional expertise and opinions.



Management held discussions and made decisions

By reviewing how the priority key challenges relate to Our Mission, Our Vision, and SDGs, the Company identified the key challenges that the Group must address through discussions with relevant departments, the Sustainability Committee, the Executive Committee, and the Board of Directors.

Table-3 Materiality of Mitsubishi HC Capital Group

Materiality	Why the Group Treats as Highly Material Challenges	How related to SDGs
①Promote a decarbonized society	- 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. - It is quite a few impact on but is significant for the Group to distinct its business from the business not solving social issues.	
②Realize the circular economy	- 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. - The Group can also contribute to realizing a sustainable and prosperous society through strengthening the collaboration between partners.	
③Establish resilient social infrastructure	- 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. - 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.	
④Realize healthy lifestyles that promote positive wellbeing	- It is vital for its stakeholders that the Group recognizes the importance of health, safety, mental and physical wellbeing for realizing the prosperous future. Valuable human resources are key. - Personal development and attraction and retention of talent is significant for the Group members.	
⑤Create businesses utilizing the latest technologies	- Both financing for the purpose of the digital transformation of customers and providing solution by internal and external digital technologies urge to develop new business models. - Including establishing supply chain with utilizing with new alternative energies, the Group identifies material one as the opportunity.	
⑥Collaborate with partners locally and globally	- 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. - The Group can realize mutual benefits in developing society by utilizing the integrated capability in the Group.	

In addition, Mitsubishi HC Capital Group participates in various external initiatives as shown in Table-4, and is actively working to resolve various social issues identified as materiality.

Table-4 Mitsubishi HC Capital Participation in external initiatives

External initiatives	Initiatives of Mitsubishi HC Capital
Endorsement of the TCFD	Mitsubishi HC Capital Group expressed its support for the recommendation of the "Task Force on Climate-related Financial Disclosures (TCFD)" in November 2021. The endorsement of the TCFD's recommendations has led the Company to further promote business activities that contribute to decarbonization, as well as to enhance its disclosure of climate change-related risks and opportunities.
Signing the UN Global Compact	The United Nations Global Compact (UNGC) is the world's largest sustainability initiative, in which the UN and the private sector (companies and organizations) join hands to build a healthy global society. Signed companies and organizations are required to endorse the 10 principles in the four areas of human rights, labor, environment, and anti-corruption, and to continue working towards their implementation. By adhering to the 10 principles in the four areas advocated by the UNGC and promoting sustainability initiatives, the Group is contributing to the realization of a sustainable society.
Signing the Principles for Financial Action for the 21st Century	The Group has been a signatory for the "Principles for Financial Action for the 21st Century" since they were first formulated in November 2011 based on the proactive initiatives of financial institutions. The Principles for Financial Action for the 21st Century comprise seven items, including best efforts in financial action towards a sustainable society, and business-specific guidelines for putting these principles into practice. The Group will continue to actively implement environmentally and socially friendly initiatives in accordance with these Principles.
Participation in the GX League	The Group participates in the GX League, established by Japan's Ministry of Economy, Trade and Industry, which aims at transforming economic and social systems towards the realization of carbon neutrality.

iv. Mitsubishi HC Capital's Initiatives toward Decarbonization

Mitsubishi HC Capital has formulated the "Transition Plan toward the Realization of a Carbon-neutral Society" (hereinafter, the "Transition Plan") in June 2025 to further enhance the effectiveness of "promotion of a decarbonized society," one of the priority themes for the Group's sustainable growth.

The Transition Plan outlines specific initiatives to promote a decarbonized society through the Company's business activities, as well as efforts to shift toward sustainable and resilient assets--one of the key priorities in the Company's value creation process. It has been developed in accordance with various guidelines, including the TPT Disclosure Framework.

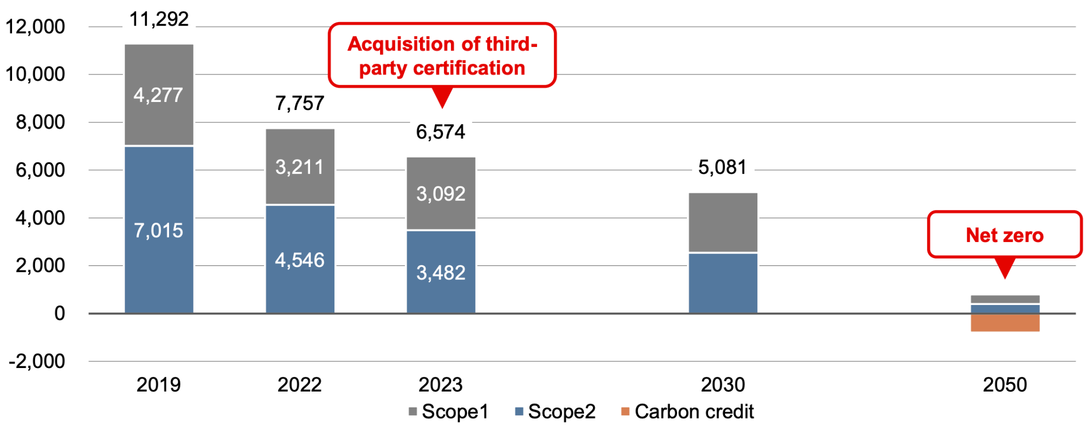
The Company aims to achieve carbon neutrality (net-zero) by 2050 for greenhouse gas (GHG) emissions from its own business activities (Scope 1 and 2), as well as GHG emissions primarily resulting from the use of leased assets by customers (Scope 3).

<u>Overview and reduction of Mitsubishi HC Capital's greenhouse gas emissions</u>

Scope 1+2 (GHG emissions from own business activities): The Group's greenhouse gas emissions are primarily driven by electricity usage in offices and fuel consumption by company cars. Through initiatives such as the transition to EVs for all company cars at European group companies and the consolidation of locations following the merger with former Hitachi Capital and Mitsubishi UFJ Lease & Finance, the Company has steadily reduced its greenhouse gas emissions since disclosing its Scope 1 and 2 targets.

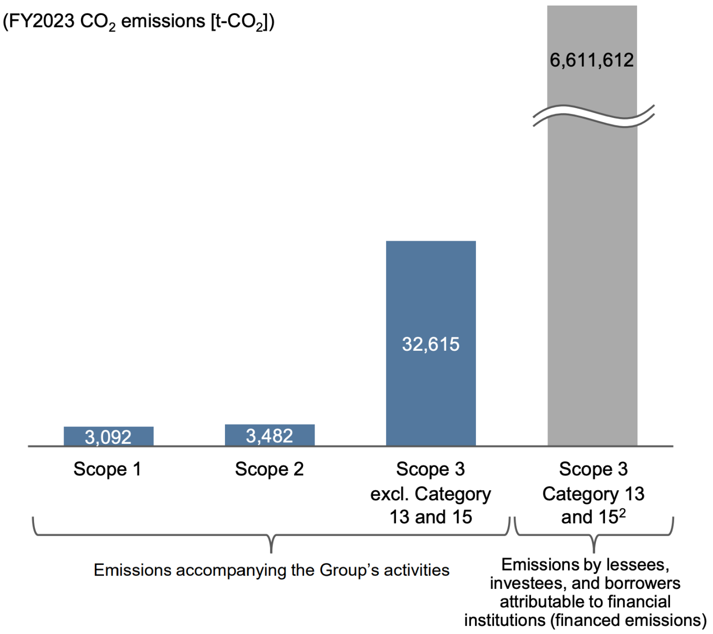
The interim target is set at a 55% reduction by 2030 compared to FY2019, with a pathway established to achieve a 5% reduction annually until FY2030. This target lies on a linear interpolation path leading to net-zero emissions by FY2040, meets the level required by the Paris Agreement, and is scientifically-based and ambitious. Specific measures to achieve the interim target include electrifying the company's owned vehicles domestically and internationally (EVs and FCVs), switching to low-emission company cars, improving energy efficiency and electrification in company offices, switching electricity usage to renewable energy sources, etc.

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



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

Scope 3 (GHG emissions resulting from the use of leased assets by customers): The significant share of the Group's greenhouse gas emissions falls under Scope 3 Category 13 (Downstream Leased Assets) and Category 15 (Investments) as defined by the GHG Protocol. These emissions primarily represent greenhouse gas emissions from the Group's leased assets and investment/financing recipients. Mitsubishi HC Capital is developing specific measures and reduction pathways for Scope 3 emissions, including the establishment of interim targets.



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

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

v. About the "Sustainable Finance Framework"

Mitsubishi HC Capital Group has developed a Sustainable Finance Framework to accelerate its initiatives to realize "Our Mission," which is its long-term goal. The Framework is designed to be aligned with the following Principles and Guidelines via key pillars (i.e., When specifying the use of proceeds; Use of Proceeds (Table-5) / Process for Project Evaluation and Selection / Management of Proceeds / Reporting. When not specifying the use of proceeds; Selection of KPIs / Calibration of SPTs / Bond/Loan Characteristics / Reporting / Verification).

Mitsubishi HC Capital believes that efforts toward sustainability—among them, protecting the global environment, respecting human rights, and embracing diversity—are an essential responsibility to society that corporation should fulfil. 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. Mitsubishi HC Capital will raise funds via Sustainable Finance to fund its initiatives tackling environmental and social issues and promoting sustainability, which enables the Company to demonstrate its continuous effort in this area to its stakeholders. In addition, Mitsubishi HC Capital has provided the Group's GHG emissions reduction results (Scope 1 and 2) and reduction targets (Scope 1 and 2) for the past three years (Table-6 and Table-7), and will promote GHG emissions reduction of the entire Group, including its supply chain, based on the formulated Transition Plan. Mitsubishi HC Capital has calculated and obtained third-party assurance for GHG emissions of certain transactions including Scope 3.

The funds to be raised under the Framework will be allocated to projects that fall into one or both of the green/social project categories (business categories) set out below and that meet the eligibility criteria set by Mitsubishi HC Capital Group, if they are implemented as sustainable finance with specific use of proceeds.

Table-5: Use of proceeds from sustainable finance (green/social projects)

[Green Projects]

Green Bond/Loan Principles Eligible Category and Environmental Objectives
Renewable Energy (Environmental Objectives: Climate Change Mitigation)
Green Buildings (Environmental Objectives: Climate Change Mitigation)
Energy Efficiency (Environmental Objectives: Climate Change Mitigation)
Clean Transportation (Environmental Objectives: Climate Change Mitigation)

[Social Projects]

Social Bond/Loan Principles Eligible Category and Target Populations
Access to Essential Services (Target Populations: Nursing Care Providers and Medical Service Providers, Patients (the general public))

Table-6: Scope 1 and 2 GHG emissions of Mitsubishi HC Capital and its major consolidated subsidiaries

Item	FY2019	FY2022	FY2023	FY2024
Scope 1 and 2 GHG emissions of Mitsubishi HC Capital and its major consolidated subsidiaries (market basis) (t-CO_2e)	11,292	7,757	6,574	4,458
Scope 1 and 2 GHG emissions reduction target (market basis) (%) (Base year: FY2019)	Base year	31.3	41.8	60.5

Table-7: Scope 1 and 2 GHG emissions reduction target of Mitsubishi HC Capital and its major consolidated subsidiaries

Item	Short term (Every year)	Medium term (to FY2030)	Long term (to FY2050)
GHG emissions (Scope 1 and 2)	—	-55% compared to FY2019	Net zero
Energy usage in Japan	-1% compared to the prior fiscal year	—	—

Name of Issuer: Mitsubishi HC Capital Group

Name of Framework: Mitsubishi HC Capital Group Sustainable Finance Framework

Name of External Reviewer: DNV Business Assurance Japan K.K.

Date of Report: 31 October 2025

Ⅱ. Scope and Objectives

Mitsubishi HC Capital or its group companies have commissioned DNV to conduct an eligibility assessment of the Framework. The objective of the sustainable finance eligibility assessment of DNV is to confirm that Mitsubishi HC Capital or its group companies meet the criteria such as GBP/GBGL, GLP/GLGL, SBP/SBGL, SLP, SBG, SLBP/SLBGL, and SLLP/SLLGL, which will be described later, and to provide a second party opinion on the eligibility.

DNV, as an independent external reviewer, has identified no real or perceived conflict of interest associated with the delivery of this second party opinion for Mitsubishi HC Capital or its group companies.

In this paper, no assurance is provided regarding the financial performance of the Sustainable Finance to be implemented in the future based on the Framework, the value of any investment, or the long-term environmental benefits of the transaction.

Sustainable finance with specific use of proceeds (including green, social, and sustainability)

*Items listed around GBP, SBP, etc. may be replaced with loan-specific items as appropriate.

(1) Scope of review

The review assessed the following elements and confirmed their alignment with the four core elements in GBP/GBGL, GLP/GLGL, SBP/SBGL, SLP, and SBG.

☒	Use of Proceeds	☒	Process for Project Evaluation and Selection
☒	Management of Proceeds	☒	Reporting

(2) Role(s) of review provider (with specific use of proceeds)

☒	Second Party Opinion	☐	Certification
☐	Verification	☐	Rating
☐	Other *(please specify)*:		

Sustainable finance with general corporate purpose

*Items listed around SLBP may be replaced with loan-specific items as appropriate.

(1) Bond/loan structure at the time of finance implementation

☒	Stepping up/down of structure	☒	Change in reimbursement structure

*Any of the above or other is set individually based on the fundraiser's internal processes at the time of finance implementation.

(2) Scope of review

The review assessed the following elements and confirmed their alignment with the five core elements in SLF.

☒	Evaluate all the following elements (entire review)	☐	Evaluate only some elements (partial review)

☒ Selection of KPIs

☒ Calibration of SPTs

☒ Verification

☒ In addition, check alignment with SLBP

☒ Bond Characteristics

☒ Reporting

(3) Role(s) of review provider

☒ Second Party Opinion

☐ Verification

☐ Certification

☐ Rating

Standards to be applied

No.	Standards/Guidelines	Scheme owner
1.	Green Bond Principles (GBP)*1	International Capital Market Association (ICMA), 2025
2.	Green Bond Guidelines (GBGL)*1	Ministry of the Environment of Japan, 2024
3.	Green Loan Principles (GLP)*1	Loan Market Association (LMA) et al., 2025
4.	Green Loan Guidelines (GLGL)*1	Ministry of the Environment of Japan, 2024
5.	Social Bond Principles (SBP)	International Capital Market Association (ICMA), 2025
6.	Social Bond Guidelines (SBGL)	Financial Services Agency of Japan, 2021
7.	Social Loan Principles (SLP)	Loan Market Association (LMA) et al., 2025
8.	Sustainability Bond Guidelines (SBG)	International Capital Market Association (ICMA), 2021
9.	Sustainability-Linked Bond Principles (SLBP)	International Capital Market Association (ICMA), 2024
10.	Sustainability-Linked Bond Guidelines (SLBGL)	Ministry of the Environment of Japan, 2025
11.	Sustainability-Linked Loan Principles (SLLP)	Loan Market Association (LMA) et al., 2025
12.	Sustainability-Linked Loan Guidelines (SLLGL)	Ministry of the Environment of Japan, 2024

*1 Green projects were evaluated using the Climate Bonds Initiative's Climate Bonds Standard, which are technical criteria that can be referenced.

Ⅲ. Responsibilities of Mitsubishi HC Capital Group and DNV

Mitsubishi HC Capital Group has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform Mitsubishi HC Capital Group and other interested stakeholders in the Sustainable Finance as to whether the established criteria have been met, based on the information provided to us.

In our work, we have relied on the information and the facts presented to us by Mitsubishi HC Capital Group. DNV is not responsible for any aspect of the projects or assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by Mitsubishi HC Capital Group and used as a basis for this assessment were not correct or complete.

Ⅳ. Basis of DNV's Opinion

To provide as much flexibility as possible for Mitsubishi HC Capital or its group companies, DNV has adapted our sustainable finance assessment methodology, which incorporates the requirements of GBP/GBGL, GLP/GLGL, SBP/SBGL, SLP, SBG, SLBP/SLBGL, and SLLP/SLLGL, to create Mitsubishi HC Capital specific Sustainable Finance Eligibility Assessment Protocol (hereinafter, "DNV's Protocol"). Please refer to Schedule-3 and Schedule-4. The Protocol is applicable to sustainable finance based on GBP/GBGL, GLP/GLGL, SBP/SBGL, SLP, SBG, SLBP/SLBGL, SLLP/SLLGL, etc.

DNV, as an independent external reviewer, provides second party opinion according to the Protocol.

Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. The overarching principle behind the criteria is that a Green/Social/Sustainability/Sustainability-Linked Finance should:

"enable capital-raising and investment for new and existing projects with environmental and social benefits"

"be important through KPIs and SPTs, quantitative, pre-determined, ambitious, regularly monitored, and encourage the achievement of ESG of the fundraiser that can be externally validated"

As per our Protocol, the criteria against this Green/Social/Sustainability-Linked Finance to be reviewed is grouped into the following elements, represented by GBP/GBGL, GLP/GLGL, SBP/SBGL, SLP, SBG, SLBP/SLBGL, and SLLP/SLLGL.

(1) Four common elements of GBP/GBGL, GLP/GLGL, SBP/SBGL, SLP, and SBG

Principle One: Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that a fundraiser of a sustainable finance (green/social/sustainability) must use the proceeds to eligible activities. The eligible activities should produce clear environmental and social benefits.

Principle Two: Process for Project Evaluation and Selection

The Process for Project Evaluation and Selection criteria are guided by the requirements that a fundraiser of a sustainable finance should outline the process it follows when determining eligibility of an investment using sustainable finance proceeds, and outline any impact objectives it will consider.

Principle Three: Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a sustainable finance should be tracked within the fundraising organization, that separate portfolios should be created when necessary and that a declaration of how unallocated proceeds will be handled should be made.

Principle Four: Reporting

The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors and loan lenders should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

(2) Five elements of SLBP/SLBGL and SLLP/SLLGL*1

Principle One: Selection of Key Performance Indicators (KPIs)

The fundraiser of a sustainability-linked finance should clearly communicate its overall sustainability objectives, as set out in its sustainability strategy, and how these relate to its proposed SPTs to investors or lenders. The KPIs should be reliable, material to the fundraiser’s core sustainability and business strategies, address relevant ESG challenges of the industry sector, and be under management control.

Principle Two: Calibration of Sustainability Performance Targets (SPTs)

The SPTs should be ambitious, meaningful, and realistic. The target setting should be done in good faith and based on a sustainability improvement in relation to a predetermined performance target benchmark.

Principle Three: Finance Characteristics

The finance will need to include a financial and/or structural impact depending on whether the selected KPIs reach (or not) the predefined SPTs. The finance documentation needs to require the definitions of the KPIs and SPTs and the potential variation of the financial and/or structural characteristics of the sustainability-linked finance. Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner, should be explained.

Principle Four: Reporting

The fundraiser should publish and keep readily available and easily accessible up to date information on the performance of the selected KPIs, as well as a verification assurance report (see Principle Five) outlining the performance against the SPTs and the related impact and timing of such impact on the finance’s financial and/or structural characteristics, with such information to be provided to those institutions participating in the finance or to investors or lenders participating in the finance at least once per annum.

Principle Five: **Verification**

The fundraiser should have its performance against its SPTs independently verified by a qualified external reviewer with relevant expertise, at least once per annum. The verification of the performance against the SPTs should be made publicly available.

V. Work Undertaken

Our work constituted a comprehensive review of the available information, based on the understanding that this information was provided to us by the fundraiser in good faith. In the pre-fundraising verification, we have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

Pre-fundraising assessment (Sustainable Finance Framework)

- With regard to the above, Schedule-3, and Schedule-4, which contribute to this assessment, the development of the fundraiser-specific assessment protocol for application to sustainable finance;
- Assessment of the evidence documentation provided by the fundraiser in relation to this Sustainable Finance, supplemented by a comprehensive desktop research. These checks refer to the latest best practices and standard methodology;
- Discussions with the fundraiser and review of relevant documentation;
- Documentation of findings against each element of the criteria.

Ⅵ. Findings and DNV's Opinion

DNV's findings and opinion are as described in (1) to (3) below.

From the SF-1 to SF-4 below in (1) are the findings and opinions of DNV against the four common elements of GBP/GBGL, GLP/GLGL, SBP/SBGL, SLP, and SBG.

Please see Schedule-3 for details.

From the SLF-1 to SLF-5 below in (2) are the findings and opinions of DNV against the requirement of SLBP/SLBGL and SLLP/SLLGL.

Please see Schedule-4 for details.

(1) Findings and DNV’s opinions against the four common elements of GBP/GBGL, SBP/SBGL, GLP/GLGL, SLP, and SBG

SF-1. Use of Proceeds

DNV has confirmed that the proceeds from sustainable finance are planned to be allocated to the five nominated green/social projects that meet the representative eligibility criteria in Table-1, as shown in GBP/GBGL, SBP/SBGL, GLP/GLGL, SLP, and SBG. The nominated projects contributing to the environment and society included in the Framework are classified under the eligibility criteria in Table-1 and the net proceeds will be allocated to one or more of the nominated projects that have been evaluated as eligible.

Table-1 (reposted) Sustainable Finance Eligibility Criteria

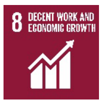
[Green Projects]

Eligible Category and Environmental Objectives	Eligible Projects	Relevant SDGs Items
Renewable Energy (Environmental Objectives: Climate Change Mitigation)	◆ Acquisition and/or refinancing for acquisition of solar power generation facilities, wind power generation facilities and/or storage batteries that contribute to the expansion of renewable energy, acquisition and/or refinancing for acquisition of the assets subject to lease and/or installment sales, and/or new loans, investments and/or refinancing for development, construction (repairs and renovations), acquisition and/or operation & maintenance of the assets. ・ Only those projects that can confirm compliance with relevant laws and regulations, such as environmental assessments and the Forest Act in construction and installation of the facility, where applicable. * Including intercompany loans to the subsidiaries involved in the business set forth in the above.	 

Green Buildings (Environmental Objectives: Climate Change Mitigation)	◆ Acquisition and/or refinancing for acquisition of the properties (office buildings, commercial facilities, hotels, warehouses, and/or residences), which are subject to lease and/or installment sales, that have received and/or will receive one of the following green building certifications and/or new loans, investments and/or refinancing for development (repairs and renovations) and/or acquisition of the assets. ・ CASBEE: Rank A or above (including CASBEE by local governments) ・ DBJ Green Building Certification 5 Stars or 4 Stars ・ BELS Certification (FY2016 standard): 5 Stars ・ BELS Certification (FY2024 standard): The following levels ➢ Non-residential: 6 Levels or 5 Levels ➢ Residential with renewable energy facilities: 6 Levels or 5 Levels ➢ Residential without renewable energy facilities: 4 Levels ・ LEED Certification: Platinum or Gold ・ ZEB Certification: ZEB, Nearly ZEB, ZEH-M, or Nearly ZEH-M ・ Green building certifications administered in each country or region: Top two ranks * In the case of investments and loans to special purpose companies, only those specialized in green building related business or those with at least 90% of assets in green building-related ones are eligible. * Facilities equipped with freezer and refrigerator must be designed in an eco-friendly manner, such as using natural refrigerant. * Including intercompany loans to the subsidiaries involved in the business set forth in the above.	
Energy Efficiency (Environmental Objectives: Climate Change Mitigation)	◆ Acquisition and/or refinancing for acquisition of equipment, which is subject to lease and/or installment sales, that is expected to reduce CO_2 emissions, such as LEDs, air conditioners, and/or highly efficient machine tools that meet any of the following conditions and/or new loans, investments and/or refinancing for acquisition of the assets. ・ The installation of a complete set of facilities is expected to improve the energy efficiency of the entire contract by 20% or more if the energy source is solely electricity, and by 30% or more if the energy source includes sources other than electricity. (Energy efficiency is calculated by comparing the performance before and after the upgrade in the case of a renewal, or by comparing the performance of the same equipment prior to one cycle in the case of a new installation).	

	・ It can be expected that clear improvements in energy efficiency will be achieved through the installation of equipment that can be confirmed as the best economically available technology, i.e., equipment that meets international green standards and/or is recognized as a top-performing product by nations or industries, etc. * Including intercompany loans to the subsidiaries involved in the business set forth in the above.	
Clean Transportation (Environmental Objectives: Climate Change Mitigation)	◆ Acquisition and/or refinancing for acquisition of EV, PHV, FCV and/or charging infrastructure, acquisition and/or refinancing for acquisition of the assets subject to lease and/or installment sales, and/or new loans, investments and/or refinancing for acquisition and/or operation & maintenance of the assets. * Including intercompany loans to the subsidiaries involved in the business set forth in the above.	 

[Social Projects]

Eligible Category and Target Populations	Eligible Projects	Relevant SDGs Items
Access to Essential Services (Target Populations: Nursing Care Providers and Medical Service Providers, Patients (the general public))	◆ Nursing reward and medical fee receivable factoring. (financing to nursing care providers and medical institutions for them to meet short-term liquidity) * Only those to nursing care providers and medical institutions generating at least 90% of their revenue from medical practices covered by Japanese public medical insurance are eligible. ◆ Acquisition and/or refinancing for acquisition of medical equipment, which is subject to lease and/or installment sales, that meet any of the following conditions and/or new loans, investments and/or refinancing for development and/or acquisition of the assets. ・ It can be confirmed that the medical equipment will be introduced in hospitals or clinics operated by public hospitals, social medical corporations and social welfare corporations. ・ It can be confirmed that the medical care provided by the medical equipment will be accessible to low-income populations. * Including intercompany loans to the subsidiaries involved in the business set forth in the above.	  

DNV has confirmed that Mitsubishi HC Capital or its group companies plan to allocate all of the net proceeds, excluding expenses, of all proceeds from sustainable finance to existing green/social eligible projects and/or new expenditures (including investments and loans to special purpose companies) that are consistent with Mitsubishi HC Capital Group's initiatives to solving social issues and sustainability.

These are representative projects that result in significant GHG emission reductions, exemplified by GBP/GBGL, GLP/GLGL, etc., and are consistent with the Paris Agreement and contribute to achieving its goals. These projects are evaluated as meeting the criteria required for green projects and delivering clear environmental benefits. In addition, the projects exemplified by SBP/SBGL, SLP, SBG, etc. have been assessed as meeting the requirements as social projects and as delivering clear social benefits. These are expected to contribute to the SDGs. These processes are consistent with SF-1.

Use of proceeds classified under GBP

- ☒ Renewable energy
- ☒ Energy efficiency (energy savings)
- ☐ Pollution prevention and control
- ☐ Environmentally sustainable management of biological natural resources and land use
- ☐ Conservation of terrestrial and aquatic biodiversity
- ☒ Clean transportation
- ☐ Sustainable water resources and wastewater management
- ☐ Adaptation to climate change
- ☐ Highly eco-efficient products, environmentally adapted products, environmentally friendly production technologies and processes
- ☒ Green buildings with locally, nationally, or internationally recognized standards or certifications
- ☒ Other *(please specify)*: Including investments and loans to special purpose companies
- ☐ Fields that are yet to be determined at the time of bond issuance, but are expected to fit into the GBP classification or other eligibility areas not currently listed in the GBP

Use of proceeds classified under SBP

- ☐ Affordable basic infrastructure facilities
- ☒ Access to essential services
- ☐ Affordable housing
- ☐ Employment creation (SME financing and microfinance)
- ☐ Food security
- ☐ Socio-economic upliftment and empowerment
- ☐ Fields considered to fit the SBP classification or not listed in SBP but eligible
- ☐ Other *(please specify)*:

SF-2. Process for Project Evaluation and Selection

Through the review, DNV has confirmed that the projects in Sustainable Finance selected based on "Our Vision," the materiality, etc. and are subject to financial assessment by the department in charge and, depending on the amount of the project, the approval by an approver between General Manager and the Board of Directors, and that Treasury Department of Mitsubishi HC Capital or its group companies will be responsible for selecting eligible projects and determining whether approved projects are eligible for the proceeds allocation. DNV has also confirmed that Mitsubishi HC Capital is planning to consider establishing a management and operational process to assess the eligibility of projects, even in cases where there are no preceding projects.

The following exclusion criteria have been established for project selection. As part of its compliance activities, Mitsubishi HC Capital Group ensures that all officers and employees comply with all laws and regulations, including those related to the environment, and conducts regular compliance checks.

<Exclusion criteria>

- Unfair transactions that do not comply with relevant laws and regulations of the jurisdiction.
- Inappropriate relationship such as bribery, corruption, blackmail, embezzlement, etc.
- Transactions that can cause social problems such as human rights and the environment.

Mitsubishi HC Capital believes that, to continue to survive, corporations must engage in business activities that seek to resolve environmental, social, and economic issues. With this fundamental understanding, Mitsubishi HC Capital has established a "Sustainability Committee."

DNV has confirmed that the Sustainability Committee is chaired by the Head of Corporate & Strategic Planning Division, and its members comprise Executive Officers and the corporate center, and implements a wide range of activities, including checking the progress of activities and the level of achievement of targets in non-financial sectors, deliberating over new activities, and discussing non-financial indicators and reports the results to the Executive Committee and the Board of Directors.

Evaluation and Selection

☒	Aligns with the achievement of the fundraiser's environmental/social contribution objectives	☒	Projects have been evaluated and selected through a documented process that demonstrates that they meet the defined eligibility categories.
☒	Projects are eligible as a use of proceeds from green/social/sustainable finance and are transparent.	☒	Projects have been evaluated and selected through a documented process that identifies and manages potential ESG risks associated with project execution.

☒ Project evaluation and selection is based on the gist of published criteria.

☐ Other *(please specify)*:

Information on responsibility and accountability

☒ Evaluation/selection criteria based on advice or verification by an external body

☒ Evaluation within the organization

☐ Other *(please specify)*:

SF-3. Management of Proceeds

DNV has confirmed how Mitsubishi HC Capital or its group companies will track and manage the proceeds from the implementation of sustainable finance to redemption or repayment.

The net proceeds or equivalent from the implementation of green/social/sustainable finance will be managed by Treasury Department of Mitsubishi HC Capital or its group companies using internal management files etc. As long as the balance of the proceeds is outstanding, Mitsubishi HC Capital or its group companies will check once a year to ensure not to exceed the aggregate amount of the eligible projects.

In the event that the entire proceeds from the implementation of green/social/sustainable finance are not immediately allocated to the eligible projects, or if unallocated proceeds arise due to repayment or any other reasons, the unallocated amount will be identified and held in cash or cash equivalents until the proceeds are allocated to the eligible projects.

In the case of refinancing, the proceeds must only be used for existing loans or, in the case of existing projects, for expenditure carried out within 36 months retrospectively from the date of the implementation of the relevant green/social/sustainable finance. In the event that the proceeds are recovered due to repayment or other reasons, the proceeds will be allocated to another eligible project.

Tracking and managing the proceeds:

- ☒ Some or all of the proceeds from green/social/sustainable finance that are planned to be allocated are systematically differentiated or tracked by the fundraiser.
- ☐ The type of temporary investment and schedule of unallocated proceeds have been disclosed.
- ☒ Other *(please specify)*: Unallocated proceeds are managed in cash or cash equivalents.

Additional disclosure:

☐ Allocated to new investments only	☒ Allocated to both existing and new investments
☒ Allocated to individual (project) expenditures	☐ Allocated to portfolio expenditures
☐ Disclose portfolio of unallocated proceeds	☐ Other *(please specify)*:

SF-4. Reporting

DNV has confirmed that Mitsubishi HC Capital or its group companies will carry out sustainable finance reporting (annual reporting) on the Company's or the group company's website (or report to the lender and disclose on website as long as possible in the case of loans) and disclose the allocation status of proceeds as long as the balance of the proceeds from the execution of Green/Social/Sustainability Finance is outstanding.

With regard to the environmental and social benefits, DNV has confirmed that Mitsubishi HC Capital and the Group will report on each of the following indicators until the full redemption or repayment of the proceeds. These reports will be published on the website. In the event of any significant events, such as major changes in plans or performance after the proceeds are fully allocated, it will be disclosed on the Company's or the group company's website (or reported to the lender and disclose on website as long as possible in the case of loans) in a timely manner.

<Allocation status reporting>

- Allocated amount
- Balance of unallocated proceeds
- Estimated allocated amount (or share) to expenditure on existing projects

<Environmental benefits>

[Green Projects]

Eligible Category	Examples of Reporting Items
Renewable Energy	• Overview of eligible projects • Annual volume of CO_2 emissions avoided (estimation based on output standards) • Annual power generation produced (estimation based on output standards) • Storage battery capacity (theoretical value)
Green Buildings	• Acquisition status of green building certification • Balance by green building certification / asset type • In the case freezer or refrigerator installed assets, outline of such equipment (refrigerant, etc.)
Energy Efficiency	• Number of eligible projects executed (annual basis) • Cumulative amount of eligible projects (annual basis) • Annual volume of CO_2 emissions avoided (estimation based on output standards)
Clean Transportation	• Number of EVs, PHVs, FCVs or charging infrastructures installed • Annual volume of CO_2 emissions avoided (estimation based on output standards)

<Social benefits>

[Social Projects]

Eligible Category	Examples of Reporting Metrics
Access to Essential Services	Nursing reward and medical fee receivable factoring • Number of eligible projects executed (annual basis) • Cumulative amount of eligible projects (annual basis) Medical equipment leasing and installment sales • Number of eligible projects executed (annual basis) • Cumulative amount of eligible projects (annual basis)

Reporting items on the allocation status of proceeds:

☒ Project by project

☒ On a project portfolio basis

☐ On a relevant individual bond basis

☐ Other *(please specify)*:

Information to be reported:

☒ Allocated amount of proceeds

☐ Percentage of allocated amount by green bonds out of the total investment amount

☐ Other *(please specify)*:

Frequency:

☒ Annual

☐ Semi-annual

☐ Other *(please specify)*:

Impact reporting (environmental and social benefits):

☒ Project by project

☐ On a project portfolio basis

☐ On a relevant individual bond basis

☐ Other *(please specify)*:

Frequency:

☒ Annual

☐ Semi-annual

☐ Other *(please specify)*:

Information to be reported (expected or ex-post):

☒ GHG emissions/savings

☐ Energy savings

☐ Number of people who continue to use the product

☒ Other ESG assessment items *(please specify)*:

[Green projects]

Project overview, equipment capacity, green building certification status, balance by green building certification and asset type, overview of installed equipment (e.g., catalysts used) if refrigeration/cooling equipment is involved, number of projects executed, cumulative project amount handled, number of charging infrastructure units installed

[Social projects]
Number of target projects executed (annual basis), cumulative target project amount handled (annual basis)

Means of disclosure:

- ☐ Described in financial reports (Integrated Report)
- ☐ Described in the sustainability reports
- ☐ Described in ad hoc reports
- ☒ Other *(please specify)*: Disclosed on website
- ☐ Described in reviewed reports (In this case, please specify the specific reporting items subject for the external review):

(2) Findings and DNV's opinions against the five SLF requirements*1 *1: Including SLBGL/SLLGL

Table-8 to Table-11 shows the sustainability-related KPIs and SPTs of Mitsubishi HC Capital or its group companies.

Table-8 Mitsubishi HC Capital Sustainability-Linked Finance KPI-1 and SPT-1

<table>
<tr><th>KPI-1</th><th colspan="8">The reduction rate of GHG emissions in Scope1 and 2 of Mitsubishi HC Capital and its major consolidated subsidiaries</th></tr>
<tr><td>Explanation</td><td colspan="8">This KPI is aligned with the key objectives set forth in the Mitsubishi HC Capital Group's "Medium-term Management Plan for FY2023–FY2025 (hereinafter, the "2025 Medium-term Plan")." It supports the "promotion of a decarbonized society" as indicated in "Our Vision" and materialities (key issues), and is quantitative, continuously measurable, and externally verifiable.</td></tr>
<tr><td rowspan="3">SPT-1</td><td colspan="8">A target for each fiscal year after FY2025 towards a 57% reduction of GHG in Scope 1 and 2 by FY2031 (base year: FY 2019)</td></tr>
<tr><td>FY2019</td><td>FY2025</td><td>FY2026</td><td>FY2027</td><td>FY2028</td><td>FY2029</td><td>FY2030</td><td>FY2031</td></tr>
<tr><td>Base year</td><td>30%</td><td>35%</td><td>40%</td><td>45%</td><td>50%</td><td>55%</td><td>57%</td></tr>
<tr><td>Explanation</td><td colspan="8">This SPT is set to meet the levels required by the Paris Agreement and can be judged as an ambitious target, as its contribution to future greenhouse gas emissions will exceed that of "Business as Usual."</td></tr>
</table>

Table-9 Mitsubishi HC Capital Sustainability-Linked Finance KPI-2 and SPT-2

<table>
<tr><th>KPI-2</th><th colspan="7">Percentage of New Generation Aircraft in Our Portfolio</th></tr>
<tr><td>Explanation</td><td colspan="7">This KPI targets the business of Jackson Square Aviation, a U.S. subsidiary engaged in aircraft leasing, and serves as an indicator for key initiatives in Mitsubishi HC Capital's Transition Plan for its aviation business. It is a core KPI for reducing emissions in the aviation business under Category 13 (Downstream Leased Assets), which constitutes the significant share of the company's greenhouse gas emissions (Scope 3), and is quantitatively and continuously measurable based on the methodology established by Mitsubishi HC Capital.</td></tr>
<tr><td rowspan="3">SPT-2</td><td colspan="7">A target for each fiscal year from FY2025 towards an 83% ratio of New Generation Aircraft in the Aircraft Portfolio by FY2031</td></tr>
<tr><td>FY2025</td><td>FY2026</td><td>FY2027</td><td>FY2028</td><td>FY2029</td><td>FY2030</td><td>FY2031</td></tr>
<tr><td>78%</td><td>80%</td><td>82%</td><td>82%</td><td>83%</td><td>83%</td><td>83%</td></tr>
<tr><td>Explanation</td><td colspan="7">This SPT is an individual business target for Mitsubishi HC Capital, but it can be judged as an ambitious goal from the following perspectives.</td></tr>
</table>

	• It is based on a meticulous plan closely linked to the Transition Plan and investment plan for decarbonization, within a system where the Mitsubishi HC Capital Group provides one-stop services for the entire asset lifecycle of the aviation business. • It anticipates an investment plan of approximately JPY 2 trillion in CAPEX (contract execution value targeting new aircrafts) from FY2024-2030 to achieve the FY2030 target. It also demonstrates strong commitment to achieving the target and is a crucial element ensuring effectiveness, financially underpinning the ambitious target.

Table-10 Mitsubishi HC Capital Sustainability-Linked Finance KPI-3 and SPT-3

KPI-3	**Percentage of Green Buildings in Our Real Estate Portfolio**
Explanation	This KPI serve as an indicator for key initiatives in Mitsubishi HC Capital's Transition Plan for its real estate business. It is a core KPI for reducing emissions in the real estate business under Category 15 (Investments), which constitutes the significant share of the company's greenhouse gas emissions (Scope 3), and is quantitatively and continuously measurable based on the methodology established by Mitsubishi HC Capital.
SPT-3	**A target for each fiscal year from FY2025 towards a 66% ratio of Green Buildings in the Real Estate Portfolio by FY2031** FY2025: 47% / FY2026: 54% / FY2027: 59% / FY2028: 61% / FY2029: 63% / FY2030: 64% / FY2031: 66%
Explanation	This SPT is an individual business target for Mitsubishi HC Capital, but it can be judged as an ambitious goal from the following perspectives. • The KPI is a key indicator for reducing emissions in the real estate business under Category 15 (Investments), which constitutes the significant share of Mitsubishi HC Capital's greenhouse gas emissions (Scope 3). Considering the FY2023 actual figure of 38%, the FY2030 target contributes to the “shift toward sustainable and resilient assets,” which is a theme for a value creation initiative in the Transition Plan. • It is based on a meticulous plan closely aligned with Mitsubishi HC Capital's Transition Plan and investment plan for decarbonization.

SPT-3 yearly targets:

FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
47%	54%	59%	61%	63%	64%	66%

Table-11 Mitsubishi HC Capital Sustainability-Linked Finance KPI-4 and SPT-4

KPI-4	**Total New Transactions Volume of Leasing of Decarbonization-related Assets of Mitsubishi HC Capital Group**
Explanation	This KPI serves as a key indicator for important initiatives in the leasing business related to the GX Assessment Lease under Mitsubishi HC Capital's Transition Plan. It is a core KPI for the “shift toward sustainable and resilient assets,” which is a theme for a value creation initiative in the Transition Plan, and is quantitatively and continuously measurable based on the methodology established by Mitsubishi HC Capital.

SPT-4	**A target for each fiscal year from FY2025 towards achieving JPY 121.8Bn of total New Transactions Volume of Leasing of Decarbonization-related Assets by FY2031**						
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
	JPY 23 billion	JPY 36.2 billion	JPY 50.7 billion	JPY 66.4 billion	JPY 83.5 billion	JPY 102 billion	JPY 121.8 billion
Explanation	This SPT is an individual business target for Mitsubishi HC Capital, but it can be judged as an ambitious goal from the following perspectives. • The business activity underlying the KPI is Mitsubishi HC Capital's GX Assessment Lease, an advanced initiative launched in July 2024 that supports its customers' introduction of low-carbon equipment based on the Green Loan Principles etc. This activity contributes to the “shift toward sustainable and resilient assets,” which is a theme for a value creation initiative in the Transition Plan.						

SLF-1. Selection of Key Performance Indicators (KPIs)

- DNV reviewed the sustainability-related KPIs of Mitsubishi HC Capital or its group companies and has confirmed that the selected KPIs are important and aligned with the basic management and sustainability policies of Mitsubishi HC Capital Group.
- Table-8 shows the KPI-1 and SPT-1 of Mitsubishi HC Capital Sustainability-Linked Finance. Mitsubishi HC Capital has set "Promote a decarbonized society" in "Our Vision" and as one of the materiality. Based on the recognition that efforts to realize a decarbonized society are an urgent issue, Mitsubishi HC Capital Group set the Group's GHG reduction targets pursuant to the Paris Agreement, and see the transition to a decarbonized society as an opportunity and actively promote the transition. The selection of initiatives related to the reduction of GHG emissions in relation to Scope 1 and 2 as a KPI is fully appropriate, and is positioned as a core KPI for the non-financial targets of the 2025 Medium-term Plan.
- Through the review, DNV also shared with Mitsubishi HC Capital the importance of Scope 3 reductions and has confirmed the adequacy of setting Scope 1 and 2 as a KPI, as the initiatives to reduce Scope 1 and 2 may lead to the accumulation of effective knowledge and know-how for planning and achieving realistic targets for Scope 3 reductions in the future, in addition to the priority importance of Scope 1 and 2 reductions at present.
- DNV has confirmed that the KPI-1 selected by Mitsubishi HC Capital is linked to the KPI in the medium-term management plan, that performance over time is managed internally to align with that plan, and that the KPI is appropriately set as a comparable indicator, consistent with the Paris Agreement. DNV concluded that GHG emission reduction rate as a KPI is measurable based on a consistent methodology (GHG Protocol), is externally verifiable, and can be benchmarked against external references.
- Table-9 to Table-11 show the KPI-2 to 4 and SPT-2 to 4 of the Mitsubishi HC Capital Sustainability-Linked Finance. Each KPI represents a key initiative for each Mitsubishi HC Capital business based on the Transition Plan. As for KPI-2 and KPI-3, they are key

indicators for emissions reduction from aircraft leasing transactions (Scope 3 Category 13 Downstream Leased Assets), which constitute the significant share of Mitsubishi HC Capital's greenhouse gas emissions (Scope 3) and are high-emission transactions, and real estate transactions (Scope 3 Category 15 Investments). As for KPI-4, it is the key indicator for the "shift toward sustainable and resilient assets," which is a theme for a value creation initiative outlined in Mitsubishi HC Capital's Transition Plan. KPI-2 to KPI-4 are all clearly defined, measurable and verifiable, and are considered to have robustness and reliability in accordance with SLBP/SLLP.

- Furthermore, the Group has calculated greenhouse gas emissions for certain transactions involving aircraft leasing transactions (Scope 3 Category 13 Downstream Leased Assets) and real estate transactions (Scope 3 Category 15 Investments), which are high-emission transactions, and has obtained third-party assurance.
- Going forward, the Group will consider the reduction of GHG emissions of the entire Group, including supply chains, through formulation of policy for sectors with high GHG emissions and the transaction plan, and other means.
- The KPIs have been disclosed on the website etc. and KPI-1 has been disclosed as actual results over the past three years.
- DNV has confirmed that the KPIs selected by Mitsubishi HC Capital provide a clear assessment scope and calculation methodology. Please see Table-8 to Table-11 and Schedule-2 for details.

Selected KPIs:

List of selected KPIs

- ✓ KPI-1: The reduction rate of GHG emissions in Scope1 and 2
- ✓ KPI-2: Percentage of New Generation Aircraft in Our Portfolio
- ✓ KPI-3: Percentage of Green Buildings in Our Real Estate Portfolio
- ✓ KPI-4: Total New Transactions Volume of Leasing of Decarbonization-related Assets

Definition, scope, and parameters:

☒	Clear definition of each selected KPI	☒	Clear calculation method
☐	Other *(please specify)*:		

Relevance, robustness, and reliability of selected KPIs:

☒	Selected KPIs are relevant to the fundraiser's sustainability and business strategies and have proven to be core and important.	☒	Evidence that KPIs are externally verifiable
☒	KPIs are proven to be measurable or quantifiable based on a consistent methodology	☒	Evidence that KPIs can be benchmarked

☐ Other *(please specify)*:

SLF-2. Calibration of Sustainability Performance Targets (SPTs)

- DNV has confirmed that the achievement of the SPT-1 set as medium- and long-term non-financial targets in the 2025 Medium-term Plan, as shown in Table-8, as well as the initiatives made by Mitsubishi HC Capital Group based on the TCFD recommendations, will pave the way for achieving the Group's medium- and long-term targets and reducing Scope 3 emissions, and that the GHG emission reduction target is an ambitious target, set to meet the levels required by the Paris Agreement. DNV has also confirmed that, in addition to the conventional efforts in energy conservation and eco-driving, the Group is also undertaking various initiatives, such as "the promotion of electrification and energy-saving through the electrification of automobiles" as well as "the transition to renewable energy for power usage," including overseas group companies, and that the SPT is ambitious, realistic, and meaningful.
- As Mitsubishi HC Capital Group has a large number of sites globally, it needs to adapt to the systems and environments of each country, which makes its initiatives more challenging than for companies that have sites only in Japan. In addition, the fact that the majority of the Group's sites are operated as tenants means that its contribution to reducing GHG emissions is likely to be limited. In this context, the SPT set to meet the criteria required by the Paris Agreement is ambitious, and the Group's contribution to GHG emissions reduction can be judged as going beyond "Business as Usual." The knowledge etc. gained from Scope 1 and 2 emissions reduction efforts, including requests from the supply chain, will be essential for reducing Scope 3 emissions, which are expected to account for the majority of the Group's GHG emissions in the future. In addition, various challenges will need to be addressed, such as aviation demand for low-carbon fuels such as SAF and hydrogen.
- DNV has confirmed that the SPT-1 set by Mitsubishi HC Capital Group are tied to the improvement of the KPI-1. It is expected that the Group's initiatives towards KPI-1/SPT-1 will facilitate "promote a decarbonized society" as stated in Mitsubishi HC Capital's "Our Vision" and the materiality.
- DNV has confirmed that the process of setting SPT-1 is based on the appropriate combination of benchmarking approaches. DNV has also confirmed that the results of the base year and past years for the selected KPI have been disclosed on the website etc., and targets up to 2031 have been set based on these results.
- DNV has confirmed that the target setting for SPT-1 is appropriately disclosed as shown in Table-8. DNV has also confirmed that the Framework explains how progress toward greenhouse gas emissions reduction will be achieved.
- SPT-2 to SPT-4 represent individual business-level targets for Mitsubishi HC Capital. Each is closely linked to investment plans for decarbonization based on the Transition Plan, with key initiatives for each business set as KPIs. Furthermore, SPT-2 and SPT-3 can be considered as ambitious targets as they contribute to reducing Scope 3 emissions, which constitute the significant share of the Group's greenhouse gas emissions. SPT-4 can also be considered as an ambitious target as it significantly contributes to and accelerates efforts to shift toward sustainable and resilient assets, which is a theme for value creation under the Transition Plan.

- DNV has confirmed that Mitsubishi HC Capital will not use SPT-2 to SPT-4 independently in sustainability-linked finance but will use them as sub-SPT under SPT-1.
- DNV has confirmed that the target setting for SPT-2 to SPT-4 is appropriately disclosed as shown in Table-9 to Table-11.
- Although relative comparisons are difficult to make as no other company in the sector has set the same SPTs, the SPTs are evaluated as ambitious, as Mitsubishi HC Capital Group needs to adapt to the systems and environment of each country, which makes its initiatives more challenging than for companies that have sites only in Japan.
- The SPTs are evaluated as ambitious based on the fundraiser's latest performance levels.
- DNV has confirmed that if the determination date for the SPT-1 is after FY2032, a linearly interpolated figure between the FY2031 target and the FY2050 target (net zero CO_2) can be set as an SPT. However, if the post-FY2031 target is updated at the time of finance implementation, a new target set in priority to the aforementioned figure will be considered for setting as an SPT. The applicable SPT figures and determination dates will be identified in the statutory disclosure documents or contract documents at the time of each finance implementation.

(SPT's) rationale and level of ambition

☒ Evidence that the SPTs can bring about significant improvements

☒ Evidence that the SPTs are consistent with the issuer's sustainability and business strategies

☒ Relevance and reliability of selected benchmarks and standards are proven.

☒ The SPTs are proven to have been set on a pre-determined timeline (time axis).

☐ Other *(please specify)*:

Benchmarking methods

☒ Fundraiser's own performance (e.g., past results)

☒ Reference to scientific evidence

☒ (Fundraiser's) peer companies

☒ Other *(please specify)*: GHG emissions reduction targets formulated by the Agency for Natural Resources and Energy, CDP, SBT 1.5°C standard

Additional disclosure

☒ Explanation of the possibility of recalculation or adjustment

☒ Identification of key factors that may influence the achievement of SPTs

☒ Description of the issuer's strategy for achievement

☐ Other *(please specify)*:

SLF-3. Finance Characteristics

With regard to the sustainability-linked finance (bonds or loans) implemented under the Framework, DNV has confirmed that the timing of SPT observations and trigger events with performance requirements and the extent of their impact are linked to the achievement of targets and bond interest rates, loan lending terms or other financial incentives (e.g., in the case of not achieving the SPTs, donations to organizations etc. engaged in activities relating to the improvement of the SPTs).

- DNV has confirmed that the specific interest rate fluctuations will be stepping up/down at the annual rate specified at the time of the finance implementation from the next date of interest payment after the determination date until the redemption/repayment date (or until the date if otherwise specified in the relevant statutory disclosure document or contract document), or that donations to organizations etc. relating to the improvement of the SPTs will be done, depending on the achievement of the SPTs, which is obtained third-party verification.
- DNV has confirmed that Mitsubishi HC Capital Group has considered appropriate fallback mechanisms (fallback alternatives) and as a result, has decided not to set another SPT or calculation method at this time as the risks that cannot be calculated or observed are very small.
- Mitsubishi HC Capital Group explains that if circumstances arise that cannot be foreseen or controlled at the time of the implementation of the Framework and that could have a material impact (e.g., changes in business structure due to M&A etc., changes in various laws, systems, and regulations in each country, other extraordinary events), and it becomes necessary to change the method of measuring KPIs, the method of setting SPTs, assumptions and scope of KPIs, the figures for the SPTs for the Sustainability-Linked Finance already issued may be revised and the details will be disclosed on the website etc. In the event of a significant change in the setting of SPTs etc. or it is judged that the SPTs are achieved at an early stage and are easy to be maintained until the judgment date, the Company or its group companies will discuss with the stakeholders the setting of SPTs with a level of ambition equal to or higher than the existing evaluation criteria, taking into account these changes, and will obtain a second party opinion from a third-party evaluation body, if necessary.

Financial impact

☒ Fluctuation in interest rates

☒ Other *(please specify)*: Financial incentives such as donations

Structural characteristics

☒ Other *(please specify)*: The terms of the trigger judgment (determination date and SPT) will be set by the term of the individual bond or loan etc. and will be specified in the statutory disclosure document (or other means of public disclosure) or contract documents.

SLF-4 Reporting

- DNV has confirmed that the required information will be disclosed on an annual basis on the following details required by SLF.
    - KPIs performance against the SPTs: Receive verification by an external reviewer etc. at least once a year and disclose on the website (or reported to the lender and disclose on website as long as possible in the case of loans) after the implementation of the Sustainability-Linked Finance and until the redemption or repayment.
    - Achievement status of SPT: Subject to annual verification by an independent third party (external organization) and used to determine financial characteristics (e.g., bond interest rates, loan terms) or other financial incentives.

Information to be Reported	Reporting Frequency
Performance of the KPIs	Annually until the determination dates, starting from the fiscal year following the year of issuance of each Sustainability-Linked Finance
Performance against the SPTs	
Information that may affect the achievement of the SPTs (e.g., updates to the Group's non-financial goals)	
If the SPTs have not been reached and "donations" are made, the amount and recipients of the donations.	Timely

Reporting information

☒ Performance of selected KPIs

☒ SPTs' level of ambition

☒ Verification assurance report

☒ Other *(please specify)*: Information on the financial impact upon the triggering judgment (e.g., interest rates, donations). Where necessary, adjustments to KPIs/SPTs and the validity of the recalculation results.

Frequency

☒ Annual

☐ Semi-annual

☐ Other *(please specify)*:

Means of disclosure

☐ Described in financial reports disclosed

☐ Described in the sustainability reports disclosed

☐ Described in ad hoc reports disclosed in a timely manner

☒ Other *(please specify)*: Disclosed on the fundraiser's website or to the lender (in the case of loans)

☐ Reporting with an external review

Level of assurance report

☒ Limited assurance

☐ Reasonable assurance

☐ Other *(please specify)*:

SLF-5 Verification

- DNV has confirmed that Mitsubishi HC Capital or its group companies plan to receive independent verification of the data relating to the KPIs by an external organization on an annual basis.

Reporting information

☒ Limited assurance	☐ Reasonable assurance
	☐ Other *(please specify)*:

Frequency

☒ Annual	☐ Semi-annual
☐ Other *(please specify)*:	

Significant changes

☒ Boundary (extent)	☐ Measurement method of KPIs
☒ Adjustment of (change in) SPTs	

Ⅶ. Assessment Conclusion

Based on the information provided by Mitsubishi HC Capital Group and the work undertaken, it is DNV’s opinion that the Framework meets the requirements of the eligibility assessment protocol and is aligned with the following definition and purpose of GBP/GBGL, GLP/GLGL, SBP/SBGL, SLP, SBG, SLBP/SLBGL, and SLLP/SLLGL, which are the basis for the statement of opinion.

- “enable capital-raising and investment for new and existing projects with environmental and social benefits”
- ”be important through KPIs and SPTs, quantitative, pre-determined, ambitious, regularly monitored, and encourage the achievement of ESG of the fundraiser that can be externally validated”

DNV Business Assurance Japan K.K.

31 October 2025

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About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.
With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

Disclaimer

Responsibilities of the Management of the Fundraiser and the Second-Party Opinion Providers, DNV: The management of Fundraiser has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform the Fundraiser management and other interested stakeholders in the Bond as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by the Fundraiser. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by the Fundraiser's management and used as a basis for this assessment were not correct or complete.

Schedule-1 Sustainable Finance Nominated Projects

The eligible projects listed in the table below are the nominated eligible projects at the time of assessment (as of October 2025). In green/social finance issued in the future under sustainable finance, one or more of the eligible categories (nominated eligible projects) listed in Schedule-1 will be selected and the use of proceeds will be reported in a pre-implementation or post-implementation reporting. In addition, if additional green/social projects are included, the eligibility of the projects will be evaluated by Mitsubishi HC Capital or its group companies in advance through a process based on the Framework and, if necessary, by DNV in a timely manner.

[Green Projects]

Eligible Category and Environmental Objectives	Eligible Projects	Relevant SDGs Items
Renewable Energy (Environmental Objectives: Climate Change Mitigation)	◆ Acquisition and/or refinancing for acquisition of solar power generation facilities, wind power generation facilities and/or storage batteries that contribute to the expansion of renewable energy, acquisition and/or refinancing for acquisition of the assets subject to lease and/or installment sales, and/or new loans, investments and/or refinancing for development, construction (repairs and renovations), acquisition and/or operation & maintenance of the assets. ・ Only those projects that can confirm compliance with relevant laws and regulations, such as environmental assessments and the Forest Act in construction and installation of the facility, where applicable. *Including intercompany loans to the subsidiaries involved in the business set forth in the above.	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Green Buildings (Environmental Objectives: Climate Change Mitigation)	◆ Acquisition and/or refinancing for acquisition of the properties (office buildings, commercial facilities, hotels, warehouses, and/or residences), which are subject to lease and/or installment sales, that have received and/or will receive one of the following green building certifications and/or new loans, investments and/or refinancing for development (repairs and renovations) and/or acquisition of the assets. ・ CASBEE: Rank A or above (including CASBEE by local governments) ・ DBJ Green Building Certification 5 Stars or 4 Stars ・ BELS Certification (FY2016 standard): 5 Stars ・ BELS Certification (FY2024 standard): The following levels	7 AFFORDABLE AND CLEAN ENERGY

	➢ Non-residential: 6 Levels or 5 Levels ➢ Residential with renewable energy facilities: 6 Levels or 5 Levels ➢ Residential without renewable energy facilities: 4 Levels · LEED Certification: Platinum or Gold · ZEB Certification: ZEB, Nearly ZEB, ZEH-M, or Nearly ZEH-M · Green building certifications administered in each country or region: Top two ranks *In the case of investments and loans to special purpose companies, only those specialized in green building related business or those with at least 90% of assets in green building-related ones are eligible. *Facilities equipped with freezer and refrigerator must be designed in an eco-friendly manner, such as using natural refrigerant. *Including intercompany loans to the subsidiaries involved in the business set forth in the above.	
Energy Efficiency (Environmental Objectives: Climate Change Mitigation)	◆ Acquisition and/or refinancing for acquisition of equipment, which is subject to lease and/or installment sales, that is expected to reduce CO_2 emissions, such as LEDs, air conditioners, and/or highly efficient machine tools that meet any of the following conditions and/or new loans, investments and/or refinancing for acquisition of the assets. · The installation of a complete set of facilities is expected to improve the energy efficiency of the entire contract by 20% or more if the energy source is solely electricity, and by 30% or more if the energy source includes sources other than electricity. (Energy efficiency is calculated by comparing the performance before and after the upgrade in the case of a renewal, or by comparing the performance of the same equipment prior to one cycle in the case of a new installation). · It can be expected that clear improvements in energy efficiency will be achieved through the installation of equipment that can be confirmed as the best economically available technology, i.e., equipment that meets international green standards and/or is recognized as a top-performing product by nations or industries, etc. *Including intercompany loans to the subsidiaries involved in the business set forth in the above.	
Clean Transportation	◆ Acquisition and/or refinancing for acquisition of EV, PHV, FCV and/or charging infrastructure,	

(Environmental Objectives: Climate Change Mitigation)	acquisition and/or refinancing for acquisition of the assets subject to lease and/or installment sales, and/or new loans, investments and/or refinancing for acquisition and/or operation & maintenance of the assets. *Including intercompany loans to the subsidiaries involved in the business set forth in the above.	

[Social Projects]

Eligible Category and Target Populations	Eligible Projects	Relevant SDGs Items
Access to Essential Services (Target Populations: Nursing Care Providers and Medical Service Providers, Patients (the general public))	◆ Nursing reward and medical fee receivable factoring. (financing to nursing care providers and medical institutions for them to meet short-term liquidity) *Only those to nursing care providers and medical institutions generating at least 90% of their revenue from medical practices covered by Japanese public medical insurance are eligible. ◆ Acquisition and/or refinancing for acquisition of medical equipment, which is subject to lease and/or installment sales, that meet any of the following conditions and/or new loans, investments and/or refinancing for development and/or acquisition of the assets. ・ It can be confirmed that the medical equipment will be introduced in hospitals or clinics operated by public hospitals, social medical corporations and social welfare corporations. ・ It can be confirmed that the medical care provided by the medical equipment will be accessible to low-income populations. *Including intercompany loans to the subsidiaries involved in the business set forth in the above.	

Schedule-2 Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs)

KPIs: Key Performance Indicators

KPIs	Explanation
KPI-1: The reduction rate of GHG emissions in Scope1 and 2 of Mitsubishi HC Capital and its major consolidated subsidiaries	This KPI is aligned with the key objectives set forth in the Mitsubishi HC Capital Group's “Medium-term Management Plan for FY2023–FY2025 (hereinafter, the “2025 Medium-term Plan”).” It supports the “promotion of a decarbonized society” as indicated in "Our Vision" and materialities (key issues), and is quantitative, continuously measurable, and externally verifiable.
KPI-2: Percentage of New Generation Aircraft in Our Portfolio	This KPI serve as an indicator for key initiatives in Mitsubishi HC Capital's Transition Plan for its aviation business. It is a core KPI for reducing emissions in the aviation business under Category 13 (Downstream Leased Assets), which constitutes the significant share of the company's greenhouse gas emissions (Scope 3), and is quantitatively and continuously measurable based on the methodology established by Mitsubishi HC Capital.
KPI-3: Percentage of Green Buildings in Our Real Estate Portfolio	This KPI serve as an indicator for key initiatives in Mitsubishi HC Capital's Transition Plan for its real estate business. It is a core KPI for reducing emissions in the real estate business under Category 15 (Investments), which constitutes the significant share of the company's greenhouse gas emissions (Scope 3), and is quantitatively and continuously measurable based on the methodology established by Mitsubishi HC Capital.
KPI-4: Total New Transactions Volume of Leasing of Decarbonization-related Assets of Mitsubishi HC Capital Group	This KPI serves as a key indicator for important initiatives in the leasing business related to the GX Assessment Lease under Mitsubishi HC Capital's Transition Plan. It is a core KPI for the “shift toward sustainable and resilient assets,” which is a theme for a value creation initiative in the Transition Plan, and is quantitatively and continuously measurable based on the methodology established by Mitsubishi HC Capital.

SPTs: Sustainability Performance Targets

<table>
<tr><th>SPTs</th><th>Explanation</th></tr>
<tr><td>SPT-1: A target for each fiscal year after FY2025 towards a 57% reduction of GHG in Scope 1 and 2 by FY2031 (base year: FY 2019)
<table>
<tr><td>FY2019</td><td>FY2025</td><td>FY2026</td><td>FY2027</td><td>FY2028</td><td>FY2029</td><td>FY2030</td><td>FY2031</td></tr>
<tr><td>Base year</td><td>30%</td><td>35%</td><td>40%</td><td>45%</td><td>50%</td><td>55%</td><td>57%</td></tr>
</table></td><td>This SPT is set to meet the levels required by the Paris Agreement and can be judged as an ambitious target, as its contribution to future greenhouse gas emissions will exceed that of “Business as Usual.”</td></tr>
<tr><td>SPT-2: A target for each fiscal year from FY2025 towards an 83% ratio of New Generation Aircraft in the Aircraft Portfolio by FY2031
<table>
<tr><td>FY2025</td><td>FY2026</td><td>FY2027</td><td>FY2028</td><td>FY2029</td><td>FY2030</td><td>FY2031</td></tr>
<tr><td>78%</td><td>80%</td><td>82%</td><td>82%</td><td>83%</td><td>83%</td><td>83%</td></tr>
</table></td><td>This SPT is an individual business target for Mitsubishi HC Capital, but it can be judged as an ambitious goal from the following perspectives.

It is based on a meticulous plan closely linked to the Transition Plan and investment plan for decarbonization, within a system where the Mitsubishi HC Capital Group provides one-stop services for the entire asset lifecycle of the aviation business.
It anticipates an investment plan of approximately JPY 2 trillion in CAPEX (contract execution value targeting new aircrafts) from FY2024-2030 to achieve the FY2030 target. It also demonstrates strong commitment to achieving the target and is a crucial element ensuring effectiveness, financially underpinning the ambitious target.
</td></tr>
<tr><td>SPT-3: A target for each fiscal year from FY2025 towards a 66% ratio of Green Buildings in the Real Estate Portfolio by FY2031
<table>
<tr><td>FY2025</td><td>FY2026</td><td>FY2027</td><td>FY2028</td><td>FY2029</td><td>FY2030</td><td>FY2031</td></tr>
<tr><td>47%</td><td>54%</td><td>59%</td><td>61%</td><td>63%</td><td>64%</td><td>66%</td></tr>
</table></td><td>This SPT is an individual business target for Mitsubishi HC Capital, but it can be judged as an ambitious goal from the following perspectives.

The KPI is a key indicator for reducing emissions in the real estate business under Category 15 (Investments), which constitutes the significant share of Mitsubishi HC Capital's greenhouse gas emissions (Scope 3). Considering the FY2023 actual figure of 38%, the FY2030 target contributes to the “shift toward
</td></tr>
</table>

<table>
<tr>
<td></td>
<td>sustainable and resilient assets,” which is a theme for a value creation initiative in the Transition Plan.
It is based on a meticulous plan closely aligned with Mitsubishi HC Capital's Transition Plan and investment plan for decarbonization.</td>
</tr>
<tr>
<td>SPT-4: A target for each fiscal year from FY2025 towards achieving JPY 121.8Bn of total New Transactions Volume of Leasing of Decarbonization-related Assets by FY2031
<table>
<tr><td>FY2025</td><td>FY2026</td><td>FY2027</td><td>FY2028</td><td>FY2029</td><td>FY2030</td><td>FY2031</td></tr>
<tr><td>JPY 23 billion</td><td>JPY 36.2 billion</td><td>JPY 50.7 billion</td><td>JPY 66.4 billion</td><td>JPY 83.5 billion</td><td>JPY 102 billion</td><td>JPY 121.8 billion</td></tr>
</table>
</td>
<td>This SPT is an individual business target for Mitsubishi HC Capital, but it can be judged as an ambitious goal from the following perspectives.
The business activity underlying the KPI is Mitsubishi HC Capital's GX Assessment Lease, an advanced initiative launched in July 2024 that supports its customers' introduction of low-carbon equipment based on the Green Loan Principles etc. This activity contributes to the “shift toward sustainable and resilient assets,” which is a theme for a value creation initiative in the Transition Plan.</td>
</tr>
</table>

DNV

Schedule-3 Sustainable Finance Eligibility Assessment Protocol

The checklists SF-1 to SF-4 below are DNV's protocol developed for sustainable finance eligibility assessment based on GBP/GBGL, GLP/GLGL, SBP/SBGL, SLP, and SBG. The "confirmed documents" in the Work Undertaken include the fundraiser's internal documents etc., which are provided by Mitsubishi HC Capital to DNV as evidence for the eligibility judgment.
*SF: Sustainable Finance

SF-1 Use of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of funds	The types of sustainability finance are classified into one of the following types defined by SBP, GBP, etc. ・(Standard) Sustainability Finance ・Revenue Finance ・Project Finance ・Other	Confirmed documents - Framework Interviews with stakeholders	Through its assessment work, DNV has confirmed that the sustainable finance falls under the following category: • (Standard) Sustainability Finance
1b	Sustainability (green and social) project classification	The key to a sustainability finance is that the proceeds will be used for a sustainability project, which should be properly stated in the legal documents relating to the security.	Confirmed documents - Framework Interviews with stakeholders	DNV has confirmed that the projects identified in the Framework fall into the following representative eligibility categories as classified by criteria including GBP, SBP, and GLP. DNV has also confirmed that the proceeds are planned to be allocated to new or existing projects as new investment or refinancing, and to be appropriately stated in the legal documents etc. relating to the finance. **Environmental contribution (green)** • Renewable Energy • Green Buildings • Energy Efficiency • Clean Transportation **Social contribution (social)** • Access to Essential Services

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1c	Environmental and social benefits	All sustainability projects to which the proceeds are used should have clear environmental and social benefits, the effects of which should be assessed by the fundraiser and, where possible, quantitatively demonstrated.	Confirmed documents - Framework Interviews with stakeholders	The green/social projects correspond to "Promote a decarbonized society" and "Realize healthy lifestyles that promote positive wellbeing" of the materiality identified by the fundraiser, are closely related to the Company's management philosophy and vision, and are aligned with the Company's initiatives to solve social issues and promote sustainability. The environmental benefits are a reduction in CO_2 emissions, and the social benefits are increased and guaranteed access to healthcare services, both of which are quantitatively assessed by the issuer. Before the implementation of sustainable finance, it was confirmed that the environmental and social improvement effects of the project to be financed by the subject finance will be quantitatively evaluated and reported in the annual report, with disclosure up to the evaluation method (calculation method) of the environmental and social improvement effects of the project.
1d	Refinancing rate	If all or part of the proceeds are used or may be used for refinancing, the fundraiser will indicate the estimated ratio of the initial investment to the refinancing and, if necessary, is recommended to clarify which investment or project portfolio is subject to refinancing.	Confirmed documents - Framework Interviews with stakeholders	Mitsubishi HC Capital or its group companies plans to use the proceeds for new investments, refinancing, or both for one or more of the nominated eligible projects included in Schedule-1. If it is clear in advance, prior to the finance implementation, whether new investment or refinancing is to be made, this will be disclosed in legal documents etc. If not yet determined, DNV has confirmed that the Company plans to disclose the estimated amount (or percentage) of the proceeds that were allocated to refinancing through its reporting (annual reporting).

SF-2 Process for Project Evaluation and Selection

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Project selection process	Sustainability finance fundraisers should provide an overview of the process of judging eligible projects for which the proceeds will be used. This includes (but is not limited to): ・The process by which the fundraiser judges that the project in question is included in the business category of an eligible sustainability (green/social) project ・Creation of criteria for eligibility of projects for which the proceeds will be used ・Environmental and social sustainability goals	Confirmed documents - Framework Interviews with stakeholders	DNV has confirmed that Mitsubishi HC Capital has a process document for judging the eligibility of projects to which the sustainable finance proceeds will be used, and that the overview is clearly stated in the Framework.
2b	Issuer's environmental and social governance framework	In addition to criteria and certifications, the information published by the issuer regarding the sustainability finance process also considers the quality of performance of the fundraiser's framework and environmental/social sustainability.	Confirmed documents - Framework Interviews with stakeholders	When selecting green/social projects, Mitsubishi HC Capital or its group companies takes into account compliance with environmental laws, regulations, ordinances, rules, the fact that the environmental benefits such as CO_2 reduction throughout the life cycle or in each process, and that the clear social benefits of the social project are clearly identified. The Company or its group companies is committed to the preservation of the surrounding environment in all relevant departments in the operation and implementation of its business. DNV has confirmed that the green/social projects implemented by Mitsubishi HC Capital or its group companies are in line with the Group's management and environmental policies.

SF-3 Management of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure-1	The net proceeds from sustainability finance should be managed in sub-accounts, included in sub-portfolio, or otherwise tracked in an appropriate manner. It should also be certified by the fundraiser in a formal internal process related to the fundraiser's investment and financing operations for the sustainability project.	Confirmed documents - Framework Interviews with stakeholders	DNV has confirmed that the proceeds from the sustainable finance are traceable in line with Mitsubishi HC Capital or the Group's internal management systems etc., and that the systems and documents actually used have been verified through assessments and are certified accordingly.
3b	Tracking procedure-2	During the sustainability finance redemption period, the balance of the proceeds that is being tracked should be adjusted at regular intervals to match the amount allocated to eligible projects executed during that period.	Confirmed documents - Framework Interviews with stakeholders	DNV has confirmed that Mitsubishi HC Capital or its group companies plans to review the remaining sustainable finance balance on a regular basis (at least once a year) through the internal control system etc. described in 3a during the period between the implementation of the sustainable finance and the redemption or repayment.
3c	Temporary holding	If no investment or payment has been made in an eligible sustainability project, the fundraiser should also inform the investor of the possible temporary investment method for the balance of unallocated proceeds.	Confirmed documents - Framework Interviews with stakeholders	DNV has confirmed that the balance of unallocated proceeds is sequentially recognized through a verification process via the fundraiser's internal management system etc. DNV has confirmed through the Framework and assessment that the balance of unallocated proceeds is managed in cash or cash equivalents. DNV has also confirmed that the balance of unallocated proceeds will be disclosed through the allocation status reporting.

SF-4 Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, the fundraiser should provide a list of projects to which the sustainability finance proceeds have been allocated at least once a year, taking into account the following: ・Confidentiality and competitive considerations ・Overview of each project, expected sustainable environmental and social benefits	Confirmed documents - Framework Interviews with stakeholders	DNV has confirmed that Mitsubishi HC Capital or its group companies will conduct an annual reporting on sustainable finance and disclose the allocation status of proceeds as long as the balance of the proceeds from the execution of Green/Sosial/Sustainability Finance is outstanding. DNV has confirmed that until the proceeds are redeemed or fully repaid, information on the environmental and social benefits of the allocated projects will be disclosed. DNV has also confirmed that the balance of unallocated projects and the refinancing amount will be disclosed. DNV has confirmed that the environmental and social benefits are planned to be disclosed as any or all of the following indicators etc. within the limits of confidentiality and so far as is reasonably practicable. <Allocation status of proceeds> • Allocation status to eligible projects • Amount of allocated and unallocated proceeds, expected time of allocation, and operation method • Amount of new investments and refinancing <Green Projects - Environmental benefits> • Renewable Energy: Overview of eligible projects Annual volume of CO_2 emissions avoided (estimation based on output standards) Annual power generation produced (estimation based on output standards) Storage battery capacity (theoretical value) • Green Buildings: Acquisition status of green building certification Balance by green building certification / asset type In the case freezer or refrigerator installed assets, outline of such equipment (refrigerant, etc.) • Energy Efficiency: Number of eligible projects executed (annual basis)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				Cumulative amount of eligible projects (annual basis) Annual volume of CO_2 emissions avoided (estimation based on output standards) • Clean Transportation: Number of EVs, PHVs, FCVs or charging infrastructures installed Annual volume of CO_2 emissions avoided (estimation based on output standards) <Social Projects - Social benefits> • Access to Essential Services: Nursing reward and medical fee receivable factoring Number of eligible projects executed (annual basis) Cumulative amount of eligible projects (annual basis) Medical equipment leasing and installment sales Number of eligible projects executed (annual basis) Cumulative amount of eligible projects (annual basis)

Schedule-4 Sustainability-Linked Finance Framework Eligibility Assessment Protocol

The checklists SLF-1 to SLF-5 below are DNV's protocol developed for Sustainable Finance Framework eligibility assessment, based on the requirements of SLF.

SLF-1 Selection of Key Performance Indicators (KPIs)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	KPI – material to core sustainability and business strategy	The issuer's sustainability performance is measured using sustainability KPIs that can be external or internal. The KPIs should be material to the issuer's core sustainability and business strategies and address relevant environmental, social, and/or governance challenges of the industry sector and be under management's control. The KPIs should be of high strategic significance to the issuer's current and/or future operations. It is recommended that the issuer communicate clearly to investors the rationale and process according to which the KPIs have been selected and how the KPIs fit into their sustainability strategy.	Confirmed documents - Framework - Transition Plan - Mitsubishi HC Capital Integrated Report 2023/2024 - Mitsubishi HC Capital ESG data 2024 Interviews with stakeholders	DNV reviewed the sustainability-related KPIs of Mitsubishi HC Capital Group and has confirmed that the selected KPIs are important and aligned with the basic management policy, sustainability policy, and the Transition Plan of the Group. Mitsubishi HC Capital sets "Our 10-year Vision" as "Together we innovate, challenge and explore the frontiers of the future," to realize "Our Mission," which is its long-term goal. Mitsubishi HC Capital addresses social issues that can be solved only by the Company through approaches such as SX (sustainability transformation) and DX (digital transformation) with its customers and partners, anticipating the changes in the society and business environment including changing global industry structures, accelerating digitalization, and the increasing importance of sustainability. Mitsubishi HC Capital Group has set "Promote a decarbonized society" in "Our Vision" and as one of the materiality. Based on the recognition that efforts to realize a decarbonized society are an urgent issue, Mitsubishi HC Capital Group set the Group's GHG reduction targets pursuant to the Paris Agreement (the Group's GHG emissions (Scope 1 and 2): 55% reduction by FY2030 (base year: FY2019) / net zero by FY2050), and see the transition to a decarbonized society as an opportunity and actively promote the transition. The selection of initiatives related to the reduction of GHG emissions in relation to Scope 1 and 2 as a KPI is fully appropriate, and is positioned as a core KPI for the non-financial targets of the 2025 Medium-term Plan.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				DNV has confirmed that the KPI (The reduction rate of GHG emissions in Scope1 and 2) selected by Mitsubishi HC Capital is aligned with the Paris Agreement and that the KPI is appropriately set as a comparable indicator. Through the review, DNV also shared with Mitsubishi HC Capital the importance of Scope 3 reductions and has confirmed the adequacy of selecting Scope 1 and 2 as a KPI, as the initiatives to reduce Scope 1 and 2 may lead to the accumulation of effective knowledge and know-how for planning and achieving realistic targets for Scope 3 reductions in the future, in addition to the priority importance of Scope 1 and 2 reductions at present. Mitsubishi HC Capital has also selected a KPI (Percentage of New Generation Aircraft in Our Portfolio, Percentage of Green Buildings in Our Real Estate Portfolio) as a core of emissions reduction from aircraft leasing transactions (Scope 3 Category 13 Downstream Leased Assets), which constitute the significant share of Mitsubishi HC Capital's greenhouse gas emissions (Scope 3) and are high-emission transactions, and real estate transactions (Scope 3 Category 15 Investments), and a KPI (Total New Transactions Volume of Leasing of Decarbonization-related Assets) as a core of the "shift toward sustainable and resilient assets," which is a theme for a value creation initiative outlined in the Transition Plan. DNV judged that these KPIs are closely linked to the transition strategy (Transition Plan) formulated by Mitsubishi HC Capital, and are positioned as key indicators that directly contribute to Scope 3 reductions as described above. There KPIs have all undergone a reasonable process based on the Transition Plan, clearly defined, measurable and verifiable, and are considered to have robustness and reliability in accordance with SLBP/SLLP. Furthermore, the Group has calculated greenhouse gas emissions for certain transactions involving aircraft leasing transactions (Scope 3 Category 13 Downstream Leased Assets) and real estate transactions

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				(Scope 3 Category 15 Investments), which are high-emission transactions, and has obtained third-party assurance.
1b	KPI - Measurability	KPIs should be measurable or quantifiable on a consistent methodological basis, externally verifiable, and able to be benchmarked, i.e., as much as possible using an external reference or definitions to facilitate the assessment of the SPT's level of ambition. The issuer is recommended, when possible, to select KPIs that have already included in its previous annual reports, sustainability reports, or other non-financial reporting to allow investors to evaluate pastl performance of the selected KPIs. If the KPIs have not been previously disclosed, the issuer should, to the extent possible, provide past externally-verified KPI values covering at least the previous three years.	Confirmed documents - Framework - Transition Plan - Mitsubishi HC Capital Integrated Report 2023/2024 - Mitsubishi HC Capital ESG data 2024 Interviews with stakeholders	DNV concluded that GHG emission reduction rate as a KPI is measurable based on a consistent methodology (GHG Protocol), is externally verifiable, and can be benchmarked against external references. Furthermore, the KPIs that are closely related to the Transiton Plan and contribute to Scope 3 reductions (Percentage of New Generation Aircraft in Our Portfolio, Percentage of Green Buildings in Our Real Estate Portfolio, Total New Transactions Volume of Leasing of Decarbonization-related Assets) have undergone a reasonable process based on the Transition Plan, are clearly defined, measurable, and verifiable, and are considered to have robustness and reliability in accordance with SLBP/SLLP. DNV has confirmed that the KPIs selected by Mitsubishi HC Capital Group are linked to the KPI and/or the Transition Plan in the medium-term management plan, that performance over time is managed internally to align with that plan. The KPI (The reduction rate of GHG emissions in Scope1 and 2) has been disclosed as actual results over the past three years or more on the website etc. The KPIs that are closely related to the Transition Plan and contribute to Scope 3 reductions (Percentage of New Generation Aircraft in Our Portfolio, Percentage of Green Buildings in Our Real Estate Portfolio, Total New Transactions Volume of Leasing of Decarbonization-related Assets) will all be disclosed based on at least one year of actual results.
1c	KPI – Clear definition	A clear definition of the KPIs should be provided and include the applicable scope or boundary, as well as the calculation methodology.	Confirmed documents - Framework - Transition Plan	DNV has confirmed that the KPIs selected by Mitsubishi HC Capital Group have a clear evaluation scope and methodology as follows: "The reduction rate of GHG emissions in Scope1 and 2" "Percentage of New Generation Aircraft in Our Portfolio"

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			- Mitsubishi HC Capital Integrated Report 2023/2024 - Mitsubishi HC Capital ESG data 2024 Interviews with stakeholders	“Percentage of Green Buildings in Our Real Estate Portfolio” “Total New Transactions Volume of Leasing of Decarbonization-related Assets” DNV has confirmed that this evaluation methodology is highly relevant to the evaluation method of Mitsubishi HC Capital’s Transition Plan and climate change initiatives.

SLF-2 Calibration of Sustainability Performance Targets (SPTs)

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Target Setting - Meaningful	The SPTs should be ambitious, realistic, and meaningful to the issuer's business and be consistent with the issuers' overall strategic sustainability/ESG strategies.	Confirmed documents - Framework - Transition Plan - Mitsubishi HC Capital Integrated Report 2023/2024 - Mitsubishi HC Capital ESG data 2024 Interviews with stakeholders	DNV has confirmed that the achievement of the SPT set as medium- and long-term non-financial targets (the Group's GHG emissions (Scope 1 and 2): 55% reduction by FY2030 (base year: FY2019) / net zero by FY2050) in the 2025 Medium-term Plan, as well as the initiatives made by Mitsubishi HC Capital Group based on the TCFD recommendations, will pave the way for achieving the Group's medium- and long-term targets and reducing Scope 3 emissions, and that the GHG emission reduction target is an ambitious target, set to meet the levels required by the Paris Agreement. Furthermore, DNV has confirmed that this SPT is closely linked to the investment plan toward decarbonization under the Transition Plan while based on Mitsubishi HC Capital's proprietary KPI, and is set as an ambitious target that directly contributes to Scope 3 emissions reduction, which constitute the significant share of Mitsubishi HC Capital's greenhouse gas emissions, and significantly advances the "shift toward sustainable and resilient assets" under the Transition Plan. DNV has also confirmed that, in addition to the conventional efforts in energy conservation and eco-driving, the Group is also undertaking various initiatives, such as "the promotion of electrification and energy-saving through the electrification of automobiles" as well as "the transition to renewable energy for power usage," including overseas group companies, and that the SPT is ambitious, realistic, and meaningful.
2b	Target Setting - Meaningful	The SPTs should represent a material improvement in the respective KPIs and be beyond a "Business as Usual" trajectory. Where possible, the SPTs should be compared to a benchmark or an external reference and be determined on a	Confirmed documents - Framework - Transition Plan - Mitsubishi HC Capital Integrated Report 2023/2024	DNV has confirmed that the SPTs shows a significant improvement in the KPIs and are beyond a "Business as Usual" trajectory. As for Mitsubishi HC Capital Group's SPT-1, since the Group has a large number of sites globally, it needs to adapt to the systems and environments of each country, which makes its initiatives more challenging than for companies that have sites only in Japan. In addition, the fact that the majority of the Group's sites are operated as tenants means that its

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		predefined timeline, set before (or concurrently with) the bond issuance.	- Mitsubishi HC Capital ESG data 2024 Interviews with stakeholders	contribution to reducing GHG emissions is likely to be limited, and the Group's contribution to GHG emissions reduction can be judged as an ambitious goal that goes beyond "Business as Usual." Furthermore, it is considered as an advanced approach among domestic leasing companies as the Group has set targets that are closely linked to the investment plan toward decarbonization under the Transition Plan, and contribute to Scope 3 emissions reduction, which are expected to account for the majority of the Group's greenhouse gas emissions. In addition, the targets for “Percentage of New Generation Aircraft in Our Portfolio” (SPT-2), “Percentage of Green Buildings in Our Real Estate Portfolio” (SPT-3), and “Total New Transactions Volume of Leasing of Decarbonization-related Assets” (SPT-4) are all individual business-based targets for Mitsubishi HC Capital. However, they are closely related to the investment plan toward decarbonization under the Transition Plan, and have important initiatives for each business as KPIs. As for SPT-2 and SPT-3, they contribute to Scope 3 emissions reduction, which account for the significant share of Mitsubishi HC Capital's greenhouse gas emissions. As for SPT-4, it significantly advances the "shift toward sustainable and resilient assets" under the Transition Plan. Therefore, DNV has confirmed that the SPTs are all set as ambitious targets.
2c	Target Setting – Benchmarks	The target setting should be based on a combination of benchmarking approaches. 1. The issuer’s own performance over time for which at least three years, where possible, of measurement track record on the selected KPIs is recommended and, where possible, guidance on the KPIs 2. The SPTs’ relative positioning against the issuer’s peers where	Confirmed documents - Framework - Transition Plan - Mitsubishi HC Capital Integrated Report 2023/2024 - Mitsubishi HC Capital ESG data 2024	DNV has confirmed that the process of setting SPTs is based on the appropriate combination of benchmarking approaches. · The results of the base year and past years for the selected KPIs have been disclosed on the website etc., and targets up to 2030 have been set based on these results. · Although relative comparisons are difficult to make as no other company in the sector has set the same SPTs, the SPTs are evaluated as ambitious, as Mitsubishi HC Capital Group needs to adapt to the systems and environment of each country, which makes its initiatives more challenging than for companies that have sites only in Japan. · The SPTs are evaluated as ambitious based on the fundraiser's latest

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		comparable or available, or against industry or sector standards 3. Systematic reference to science-based scenarios or absolute levels (e.g., carbon budgets), official national/regional/international targets or to recognized Best-Available-Technologies, or other proxies	Interviews with stakeholders	performance levels and formulated Transition Plan.
2d	Target setting – Disclosures	Disclosures on target setting should make clear reference to: 1. The timelines of target achievement, the trigger events, and the frequency of SPTs 2. Where necessary, the verified baseline or reference point selected for the improvement of KPIs, the rationale for that baseline or reference point to be used 3. Where necessary, situations that recalculations or pro-forma adjustments of baselines will take place 4. Where possible and taking into account competition and confidentiality considerations, how the issuer reaches such SPTs	Confirmed documents - Framework - Transition Plan - Mitsubishi HC Capital Integrated Report 2023/2024 - Mitsubishi HC Capital ESG data 2024 Interviews with stakeholders	DNV has confirmed that SPT setting has been appropriately disclosed as follows. · It explains how progress is achieved through the Framework. If the determination date for the SPT (The reduction rate of GHG emissions in Scope1 and 2) will be after FY2032, Mitsubishi HC Capital Group can set a linearly interpolated figure between the FY2031 target and the FY2050 target (net zero CO_2) as an SPT. However, if the post-FY2031 target is updated at the time of finance implementation, a new target set in priority to the aforementioned figure will be considered for setting as an SPT. DNV has confirmed that the applicable SPT figures and determination dates will be identified in the statutory disclosure documents or contract documents at the time of each finance implementation. Based on the information provided by Mitsubishi HC Capital Group, DNV concluded that the SPTs are realistic, the plan is feasible, and that the SPTs targets outlined in the Framework are likely to be met.

SLF-3 Finance Characteristics

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Finance Characteristics – SPT financial/structural impact	SLB should include a financial and/or structural impact involving trigger events based on whether the KPIs reach the predetermined SPTs.	Confirmed documents - Framework Interviews with stakeholders	DNV has confirmed that the inclusion of triggering events in the Framework complies with the requirements in SLBP. DNV has confirmed that, for sustainability finance (bonds or loans) implemented under the Framework, the triggering events and their scope of impact, with specific SPTs observation periods and performance requirements, are linked to the achievement of targets and financial incentives.
3b	Finance Characteristics – Fallback mechanism	Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner should be explained. The issuer may also consider including, where necessary, texts in the bond documents to take into consideration potential exceptional events.	Confirmed documents - Framework Interviews with stakeholders	DNV has confirmed that Mitsubishi HC Capital Group has considered appropriate fallback mechanisms (fallback alternatives) and as a result, has decided not to set other SPTs or calculation method at this time as the risks that cannot be calculated or observed are very small. Mitsubishi HC Capital explains that if circumstances arise that cannot be foreseen or controlled at the time of the execution of the Sustainability-Linked Finance Framework and that could have a material impact (e.g., changes in business structure due to M&A etc., changes in various laws, systems, and regulations in each country, other extraordinary events), and it becomes necessary to change the method of measuring KPIs, the method of setting SPTs, assumptions and scope of KPIs, the changed content will be explained on the Company's or its group companies' websites (in the case of bonds) or contract documents (in the case of loans). In the event of a significant change in the setting of SPTs etc. or it is judged that the SPTs are achieved at an early stage and are easy to be maintained until the judgment date, Mitsubishi HC Capital has explained that it will discuss with the stakeholders the setting of SPTs with a level of ambition equal to or higher than the existing evaluation criteria, taking into account these changes, and will obtain a second party opinion from a third-party evaluation body, if necessary.

SLF-4 Reporting

<table>
<tr><th>Ref.</th><th>Criteria</th><th>Requirements</th><th>Work Undertaken</th><th>DNV Findings</th></tr>
<tr>
<td>4a</td>
<td>Reporting</td>
<td>The issuer of SLB should publish, keep readily available, and easily accessible:
1. Up-to-date information on the performance of the selected KPIs, including baselines where necessary
2. A verification assurance report relating to the SPTs outlining the performance against the SPTs and the related impact, and timing of such impact, on the financial and/or structural characteristics of bonds/loans
3. Any information enabling investors to monitor the SPT’s level of ambition
This reporting should be published regularly, at least once a year, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLB’s financial and/or structural characteristics.</td>
<td>Confirmed documents
- Framework

Interviews with stakeholders</td>
<td>DNV has confirmed that the following necessary information required by SLBP will be disclosed in a timely manner:
・Performance of KPIs: Receive verification by an external reviewer etc. at least once a year and disclose on the website after the implementation of the Sustainability-Linked Finance and until the redemption or repayment.
・Achievement status of SPTs: Subject to annual verification by an independent third party (external organization) and used to determine financial characteristics (e.g., bond interest rates, loan terms) or other financial incentives.
<table>
<tr><th>Information to be Reported</th><th>Reporting Frequency</th></tr>
<tr><td>Performance of KPIs</td><td rowspan="3">Annually until the determination dates, starting from the fiscal year following the year of issuance of each Sustainability-Linked Finance</td></tr>
<tr><td>Achievement status of SPTs</td></tr>
<tr><td>Information that may affect the achievement of the SPTs (e.g., updates to the Group’s non-financial goals)</td></tr>
<tr><td>If the SPTs have not been reached and "donations" are made, the amount and recipients of the donations.</td><td>Timely</td></tr>
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</table>

SLF-5 Verification

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
5a	External review	The issuer should have its performance against each SPT for each KPI independently verified by a qualified external reviewer with relevant expertise, at least once a year and for each SPT trigger event.	Confirmed documents - Framework Interviews with stakeholders	DNV has confirmed that Mitsubishi HC Capital or its group companies plans to receive independent verification or obtain a score against the data relating to the KPIs once a year from a qualified external organization with relevant expertise in SPTs triggering events.