

[NOTICE: This Notice of Convocation is a translation of the Japanese language original for convenience purposes only, and in the event of any discrepancy, the Japanese language original shall prevail.]

Securities code: 8593

June 6, 2024

(Commencement date of electronic provision measures: May 24, 2024)

**NOTICE OF CONVOCATION OF
THE 53rd ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Notice is hereby given that the 53rd Annual General Meeting of Shareholders (the “Meeting”) of Mitsubishi HC Capital Inc. (the “Company”) will be held as described below.

If you will not attend the Meeting in person, you may exercise your voting rights via the internet or in writing. Please review the attached “Reference Materials Concerning the General Meeting of Shareholders.”

Yours very truly,

Mitsubishi HC Capital Inc.
Taiju Hisai
Representative Director, President & CEO
5-1, Marunouchi 1-chome,
Chiyoda-ku, Tokyo

PARTICULARS

1. Date and Time of the Meeting: Tuesday, June 25, 2024, at 10:00 a.m.
(Reception scheduled to open at 9:30 a.m.)
2. Place of the Meeting: Tsuru (West), The Main Bldg. Banquet Floor, Hotel New Otani
at 4-1 Kioi-cho, Chiyoda-ku, Tokyo

3. Matters to be dealt with at the Meeting:

Matters for Reporting:

- (1) The Details of Business Report for the 53rd Fiscal Year (from April 1, 2023 to March 31, 2024) and the Consolidated Financial Statements, and Results of the Audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee.
- (2) The Details of the Financial Statements for the 53rd Fiscal Year (from April 1, 2023 to March 31, 2024).

Matters for Resolution:

- | | |
|-------------------------|---|
| First Item of Business | Election of 8 (Eight) Directors (Excluding Directors who are Audit and Supervisory Committee Members) |
| Second Item of Business | Election of 4 (Four) Directors who are Audit and Supervisory Committee Members |

4. Matters concerning the electronic provision measures:

When convening this general meeting of shareholders, the Company has taken measures for providing information that constitutes the Reference Materials Concerning the General Meeting of Shareholders, etc. (matters subject to the electronic provision measures) in electronic format, and posts this information on the Company's website and other websites. Please access those websites to review the information.

The Company's website:

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



Tokyo Stock Exchange website:

(<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>)

Please input the Company name or securities code (8593), and click "Search," and then click "Basic information" and "Documents for public inspection/PR information" in this order.



"Online Convocation (*Net de Shoshu*)":

(<https://s.srdb.jp/8593/>, available only in Japanese)

- End -

- © For shareholders who have requested the delivery of a paper copy, the Company delivers documents which are part of the Notice of Convocation, the Reference Materials Concerning the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, and the Financial Statements. However, of matters that are subject to audit by the Audit and Supervisory Committee and the Accounting Auditor in preparing the Audit Reports, the following matters are not included in the paper copy. Please refer to "Other matters subject to the electronic provision measures (matters omitted from documents delivered to shareholders)" posted on the websites shown above.
- (1) Part of the matters concerning the status of the Group (Changes in assets and income (loss), Principal business, Locations, Status of employees, Main lenders, Other important matters concerning the status of the Group),
 - (2) Matters concerning the Company's shares,
 - (3) Matters concerning share acquisition rights,
 - (4) Part of the matters concerning the Company's officers (Overview of limited liability agreements, Matters concerning directors and officers liability insurance agreement, Matters concerning Outside Director),
 - (5) Status of the accounting auditor,
 - (6) System for ensuring appropriate business operation and overview of its operating status,
 - (7) Consolidated statement of changes in equity,
 - (8) Notes on consolidated financial statements,
 - (9) Non-consolidated statement of changes in equity, and
 - (10) Notes on non-consolidated financial statements
- © If any amendments are made to matters subject to the electronic provision measures, such amendments will be posted on the websites where the matters are posted.

Guidance on exercising Voting Rights

If attending the Meeting in person

Please submit the enclosed voting rights exercise form to the receptionist at the Meeting.

If you are not attending the Meeting in person, you can designate one shareholder holding voting rights as your proxy to attend the Meeting. In such case, however, a document evidencing his/her appointment as proxy is required.

Date and time of the Meeting ▶▶▶ Tuesday, June 25, 2024, at 10:00 a.m.

(Reception scheduled to open at 9:30 a.m.)

A sign language interpreter (in Japanese only) will be available in the place of the Meeting. Please ask for assistance if required.

If refraining from attending the Meeting

■ Exercise of voting rights in writing (voting rights exercise form)

Please indicate your votes for or against the items of business on the enclosed voting rights exercise form and send the completed form to the Company by return mail.

Please note that if there is no indication of your vote for or against any item of business, we will deem that you have voted for that item of business.

Deadline ▶▶▶ Monday, June 24, 2024, reach the Company no later than 5:10 p.m.

■ Exercise of voting rights via the internet

Please access the voting rights exercise website (<https://evote.tr.mufig.jp/>) via the internet, and exercise your voting rights.

Please note that the website is available in Japanese only.

Deadline ▶▶▶ Monday, June 24, 2024, no later than 5:10 p.m.

For details, please review the “Instructions for exercising Voting Rights via the internet” shown on page 4.

If any voting rights are exercised both via the internet and by voting rights exercise form, the one exercised via the internet will be deemed valid. In cases where any voting rights are exercised more than once via the internet, the last voting rights exercised will be deemed valid.

Electronic Voting Rights Exercise Platform	Nominee shareholders (including standing proxies) such as trust and custody service banks, who have made prior applications to use the electronic voting rights exercise platform operated by ICJ, Inc., can use the platform.
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<Instructions for exercising Voting Rights via the internet>

Method of scanning QR code

Method of entering the login ID and tentative password

For inquiries regarding the system, etc.
(Helpdesk)

Corporate Agency Division
Mitsubishi UFJ Trust and Banking Corporation
0120-173-027 (toll-free within Japan)
from 9:00 a.m. to 9:00 p.m.

About Live Streaming for the Meeting and Prior Questions

The General Meeting of Shareholders will be broadcasted live to shareholders via internet so that you can see it from anywhere.

In addition, in order to receive a number of opinions by shareholders, we are accepting prior questions regarding the objectives of this meeting via the internet.

Please note that only Japanese is available for these.

For details, refer to the Notice of Convocation in Japanese.

[TRANSLATION]

REFERENCE MATERIALS CONCERNING
THE GENERAL MEETING OF SHAREHOLDERS

(Reference) List of the Candidates of the First and Second Items of Business

The candidates for the first and second items of business are as follows.

First Item of Business Election of 8 (Eight) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

Number		Name	Current Position and Responsibility at the Company	Areas of Expertise (Note)					
				Management	Finance	Treasury	Law	Global	DX
1	Reappointment	Mr. Takahiro Yanai	Director, Chairman	●	●				
2	Reappointment	Mr. Taiju Hisai	Representative Director, President & CEO	●	●			●	
3	New Appointment	Mr. Aiichiro Matsunaga	Deputy President Overall Operation	●	●			●	
4	Reappointment	Mr. Kazumi Anei	Director, Deputy President in charge of Customer Solutions Unit	●	●				
5	Reappointment	Mr. Haruhiko Sato	Director, Managing Executive Officer Head of Corporate & Strategic Planning Division CFO (Chief Financial Officer)		●	●		●	
6	Reappointment	Ms. Yuri Sasaki	Outside Director Independent Director	Director		●			
7	New Appointment	Ms. Kayoko Kawamura	Outside Director Independent Director	–					●
8	New Appointment	Mr. Shota Kondo	Outside Director	–	●	●		●	

Second Item of Business Election of 4 (Four) Directors who are Audit and Supervisory Committee Members

Number		Name	Current Position and Responsibility at the Company	Areas of Expertise (Note)					
				Management	Finance	Treasury	Law	Global	DX
1	New Appointment	Mr. Yoshitaka Shiba	Advisor	●	●		●		
2	New Appointment	Mr. Hiroyasu Nakata	Outside Director Independent Director Director				●		
3	Reappointment	Ms. Hiroko Kaneko	Outside Director Independent Director Director (Audit & Supervisory Committee Member)				●		
4	Reappointment	Mr. Masayuki Saito	Outside Director Independent Director Director (Audit & Supervisory Committee Member)	●		●		●	

Outside Director

Candidate for Outside Director

Independent Director

Candidate to be registered with the Tokyo Stock Exchange as independent director

(Note) The areas of expertise are as follows. Management: Overall management; Finance: Finance; Treasury: Financial accounting; Law: Legal affairs, compliance, and risk management; Global: Global business; DX: IT and DX

First Item of Business

Election of 8 (Eight) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all 8 (eight) Directors (excluding Directors who are Audit and Supervisory Committee members) will expire at the close of this Meeting. Accordingly, you are hereby requested to newly elect 8 (eight) Directors.

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in other Companies	Number of Company's Shares owned
1	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Takahiro Yanai (May 4, 1958)</p>	<p>April 1982 Joined The Mitsubishi Bank, Ltd.</p> <p>May 2012 Managing Executive Officer of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) In charge of CIB (Corporate Investment Banking) and Secondly in charge of Market Sales Division</p> <p>June 2015 Managing Officer, Deputy Group Head, Integrated Trust Assets Business Group, Deputy Group Head, Integrated Corporate Banking Business Group, and Head of the Corporate & Investment Banking Planning Division of Mitsubishi UFJ Financial Group, Inc. (MUFG)</p> <p>May 2016 Managing Director, Chief Executive, Retail Banking Business Unit of BTMU Managing Executive Officer, Group Head, Integrated Retail Banking Business Group of MUFG</p> <p>June 2017 Senior Managing Executive Officer, Group Head, Transaction Banking Group of BTMU</p> <p>April 2021 President & CEO of Mitsubishi UFJ Lease & Finance Company Limited (MUL) Concurrently served as Executive Officer of MUL</p> <p>April 2023 Representative Director, President & CEO of Mitsubishi HC Capital Inc. (the Company) Concurrently served as Executive Officer of the Company</p> <p>April 2023 Director, Chairman of the Company (incumbent)</p>	<p style="text-align: center;">24,400</p> <p style="text-align: center;">Potential shares: 207,700</p> <p>*The number of potential shares represents the number of shares to be issued upon exercise of share acquisition rights granted in the past under the stock-based compensation stock option plan.</p>
<p>Reasons for proposing the candidate as Director</p> <p>Since 2017, Mr. Takahiro Yanai had served as the President & CEO of Mitsubishi UFJ Lease & Finance Company Limited (currently the Company) based on his management experience at major Japanese financial institutions. He has a wealth experience as the chief of business execution, leading the management of the Company as it expands globally. By using deep knowledge based on his experience, he has been in charge of supervision of management as a non-Executive Director, Chairman since April 2023. We have deemed him to be the best candidate to aim for further improvement of the soundness of the management of the Company and enhancement of corporate value over the medium to long term. We are therefore reappointing him as a candidate for Director.</p> <p>Attendance at Board of Directors meetings (FY2023): 15 out of 15 times (100%)</p>			

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in other Companies	Number of Company's Shares owned
2	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Taiju Hisai (April 27, 1962)</p>	<p>April 1985 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>July 2011 General Manager, Investment Banking Division for the Americas, Headquarters for the Americas of The Bank of Tokyo- Mitsubishi UFJ, Ltd. (BTMU) (currently MUFG Bank, Ltd.) Concurrently served as President of BTMU Leasing & Finance, Inc.</p> <p>July 2012 General Manager, Corporate Banking Division for Europe, Middle East and Africa, Headquarters for Europe, Middle East and Africa of BTMU Concurrently assigned to BTMU (Europe) Limited</p> <p>June 2014 Executive Officer and General Manager, Corporate Banking Division for Europe, Middle East and Africa, Headquarters for Europe, Middle East and Africa of BTMU Concurrently assigned to BTMU (Europe) Limited</p> <p>September 2014 Executive Officer, Regional Executive for India Concurrently served as Deputy General Manager, Corporate Banking Division for Asia and Oceania, Headquarters for Asia and Oceania of BTMU</p> <p>May 2016 Managing Executive Officer in charge of Credit of BTMU</p> <p>April 2018 Managing Executive Officer and Group Head, Corporate Banking Group No. 1 of MUFG Bank, Ltd. (MUFG Bank)</p> <p>April 2019 Senior Managing Executive Officer and Group Head, Corporate Banking Group No. 1 of MUFG Bank</p> <p>June 2021 Deputy President of Mitsubishi HC Capital Inc. (the Company) Concurrently served as Executive Officer of the Company</p> <p>June 2022 Director, Deputy President of the Company</p> <p>April 2023 Representative Director, President & CEO of the Company (incumbent) Concurrently serves as Executive Officer of the Company (incumbent)</p>	<p style="text-align: center;">5,300</p> <p style="text-align: center;">Potential shares: 55,600</p> <p>*The number of potential shares represents the number of shares to be issued upon exercise of share acquisition rights granted in the past under the stock-based compensation stock option plan.</p>

	<p>Reasons for proposing the candidate as Director</p> <p>Since 2021, Mr. Taiju Hisai had served as the Deputy President and an Executive Officer of the Company and has led the overall business of the Company based on a wealth of management experience at a major Japanese financial institution. He has served as the Representative Director, President & CEO and an Executive Officer acting as the chief of business execution since April 2023. He has sufficient experience and knowledge to assume business management of the Company as it expands globally. We have deemed him to be the best candidate to take command of business as the Representative Director, President & CEO and an Executive Officer and to aim for the Company's sustainable growth and improvement of corporate value over the medium to long term. We are therefore reappointing him as a candidate for Director.</p> <p>Attendance at Board of Directors meetings (FY2023): 15 out of 15 times (100%)</p>
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Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in other Companies	Number of Company's Shares owned
3	<p data-bbox="325 1016 536 1055" style="border: 1px solid black; display: inline-block; padding: 2px;">New Appointment</p> Aiichiro Matsunaga (March 14, 1963)	<p data-bbox="569 327 1283 1865"> April 1986 Joined Mitsubishi Corporation May 2013 General Manager, Power Systems International Dept., New Energy & Power Generation Div. of Mitsubishi Corporation October 2013 General Manager, Power Systems International Dept., New Energy & Power Generation Div. of Mitsubishi Corporation (Concurrently) Executive Vice President of Mitsubishi Corporation Machinery, Inc. March 2014 Global Environmental & Infrastructure Business Group CEO Office of Mitsubishi Corporation April 2014 President, Mitsubishi Corporation do Brasil, S.A., Sao Paulo (Concurrently) Deputy Regional CEO, Latin America and the Caribbean (Concurrently) General Manager, Asuncion Liaison Office April 2017 Senior Vice President (Riji) of Mitsubishi Corporation Regional CEO, Latin America and the Caribbean, Sao Paulo, Brasil (Concurrently) President, Mitsubishi Corporation do Brasil, S.A. (Concurrently) General Manager, Asuncion Liaison Office April 2018 Senior Vice President (Shikko-Yakuin) of Mitsubishi Corporation Regional CEO, Latin America and the Caribbean, Sao Paulo, Brasil (Concurrently) President, Mitsubishi Corporation do Brasil, S.A. (Concurrently) General Manager, Asuncion Liaison Office April 2019 Executive Vice President, Group CEO, Industrial Infrastructure Group of Mitsubishi Corporation April 2022 Executive Vice President, Group CEO, Power Solution Group, and Power & Retail DX Task Force Leader of Mitsubishi Corporation July 2022 Executive Vice President, Group CEO, Power Solution Group of Mitsubishi Corporation April 2024 Deputy President, Concurrently serves as Executive Officer of the Company (incumbent) </p>	<p data-bbox="1315 757 1434 913"> 0 Potential shares: 0 </p> <p data-bbox="1302 949 1439 1413"> * The number of potential shares represents the number of shares to be issued upon exercise of share acquisition rights granted in the past under the stock-based compensation stock option plan. </p>

Reasons for proposing the candidate as Director

Since April 2024, Mr. Aiichiro Matsunaga has served as Deputy President and Executive Officer of the Company. With a wealth of management experience at a major Japanese general trading company, he has managed the overall operations to assist the President. He has sufficient experience and knowledge to assume business management of the Company as it expands globally. We expect him to contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director, and are therefore appointing him as a new candidate for Director.

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in other Companies	Number of Company's Shares owned
4	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Reappointment</div> Kazumi Anei (September 18, 1960)	<p>April 1985 Joined Hitachi Leasing Corp.</p> <p>April 2003 General Manager of Sales Dept. II, Kansai Corporate Sales Branch, Kansai Sales Division of Hitachi Capital Corporation (Hitachi Capital)</p> <p>April 2005 Head of Kansai Corporate Sales Branch, Kansai Sales Division of Hitachi Capital</p> <p>April 2010 Head of Kanagawa Sales Division of Hitachi Capital</p> <p>April 2011 Head of Tokyo Sales Division III, Corporate Business Division of Hitachi Capital</p> <p>October 2011 Co-Head of Corporate Business Division of Hitachi Capital</p> <p>April 2014 Corporate Officer, Head of Corporate Business Division, and Co-Head of Account Sales Promotion Division of Hitachi Capital</p> <p>April 2015 Corporate Officer and Head of Corporate Business Division, Corporate Sales & Marketing Group of Hitachi Capital</p> <p>April 2016 Executive Officer, Head of Corporate Business Division, Corporate Sales & Marketing Group, and Head of Service Business Division of Hitachi Capital</p> <p>April 2017 Executive Officer, Corporate Sales & Marketing Group, in charge of Japan, and Head of Customer E&E Business Division of Hitachi Capital</p> <p>April 2018 Vice President and Executive Officer, Co-Head of Corporate Sales & Marketing Group, in charge of Japan, and Head of Environment and Energy Business, Corporate Business Division, Customer E&E Business Division of Hitachi Capital</p> <p>April 2019 Vice President and Executive Officer, Co-Head of Corporate Sales & Marketing Group, and Chief Executive for Japan, Corporate Sales & Marketing Group of Hitachi Capital</p> <p>April 2020 Senior Vice President and Executive Officer, Chief Marketing Officer, and Head of Business Enhancement Division (in charge of Europe and the Americas) of Hitachi Capital</p> <p>April 2021 Director, Senior Managing Executive Officer of Mitsubishi HC Capital Inc. (the Company)</p> <p>May 2021 Director, Deputy President of the Company (incumbent) Concurrently serves as Executive Officer of the Company (incumbent)</p>	<p>56,500</p> <p>Potential shares: 55,600</p> <p>* The number of potential shares represents the number of shares to be issued upon exercise of share acquisition rights granted in the past under the stock-based compensation stock option plan.</p>

	<p>Reasons for proposing the candidate as Director</p> <p>Mr. Kazumi Anei had served as an Executive Officer and the Chief Marketing Officer of Hitachi Capital Corporation since 2016 and 2020, respectively, and since 2021, he has led the overall business of the Company as the Director, Deputy President, and an Executive Officer of the Company. He has sufficient experience and knowledge to assume business management of the Company as it expands globally. We expect him to contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director, and are therefore reappointing him as a candidate for Director.</p> <p>Attendance at Board of Directors meetings (FY2023): 15 out of 15 times (100%)</p>
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Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in other Companies	Number of Company's Shares owned
5	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Haruhiko Sato (June 19, 1965)</p>	<p>April 1989 Joined Mitsubishi Corporation</p> <p>November 2002 Mitsubishi International GmbH (based in Dusseldorf)</p> <p>January 2007 Finance Director, Moscow Office of Mitsubishi Corporation</p> <p>April 2009 Treasurer Office of Mitsubishi Corporation</p> <p>April 2011 Deputy General Manager, Structured Finance, M&A Advisory Dept. of Mitsubishi Corporation</p> <p>March 2014 Senior Vice President, Corporate Staff Section and CFO of Mitsubishi Corporation (Americas)</p> <p>April 2019 General Manager, Power Solution Administration Department of Mitsubishi Corporation</p> <p>April 2021 Director, Managing Executive Officer of Mitsubishi HC Capital Inc. (the Company) (incumbent)</p>	<p style="text-align: center;">0</p> <p>Potential shares: 31,900</p> <p>* The number of potential shares represents the number of shares to be issued upon exercise of share acquisition rights granted in the past under the stock-based compensation stock option plan.</p>
<p>Reasons for proposing the candidate as Director</p> <p>Mr. Haruhiko Sato currently assumes the positions of the Head of Corporate & Strategic Planning Division and Head of Treasury & Accounting Division, serving as the Director, Managing Executive Officer of the Company. He has a wealth of experience at a major Japanese general trading company, as well as experience and knowledge in the corporate division, which he has cultivated while engaged in the business management of the Company as it expands globally. We expect him to utilize this background and contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director. We are therefore reappointing him as a candidate for Director.</p> <p>Attendance at Board of Directors meetings (FY2023): 15 out of 15 times (100%)</p>			

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in other Companies	Number of Company's Shares owned
6	<p style="text-align: center;"> Reappointment Outside Director Independent Director </p> <p style="text-align: center;">Yuri Sasaki (May 26, 1967)</p>	<p>April 1995 Assistant at Hitotsubashi University (Faculty of Commerce and Management)</p> <p>April 1998 Assistant Professor of Faculty of Commerce, Takachiho University of Commerce (current Takachiho University)</p> <p>April 2001 Assistant Professor of Faculty of Economics, Meiji Gakuin University</p> <p>April 2006 Visiting Scholar at University of Washington</p> <p>April 2007 Professor of Faculty of Economics, Meiji Gakuin University (incumbent)</p> <p>June 2014 Director of JBA TIBOR Administration</p> <p>January 2015 Expert Committee Member of Financial System Council of Financial Services Agency (incumbent)</p> <p>November 2015 Visiting Scholar at University of Washington</p> <p>June 2018 Director of Hitachi Capital Corporation (currently the Company)</p> <p>April 2020 Dean of Faculty of Economics, Meiji Gakuin University</p> <p>April 2021 Director of Mitsubishi HC Capital Inc. (the Company) (incumbent)</p> <p>July 2022 Director of Meiji Yasuda Life Insurance Company (incumbent)</p> <p>(Important Status in other Companies) Professor of Faculty of Economics, Meiji Gakuin University Director of Meiji Yasuda Life Insurance Company</p>	<p>1,300</p> <p>Potential shares: 0</p> <p>* The number of potential shares represents the number of shares to be issued upon exercise of share acquisition rights granted in the past under the stock-based compensation stock option plan.</p>
<p>Reasons for proposing the candidate as Director and roles expected of the candidate</p> <p>Ms. Yuri Sasaki has academic knowledge as a university professor, as well as outstanding insight and wealth of experience as an international finance researcher. She had contributed to appropriate decision making and supervision of overall management by the Board of Directors as an independent Outside Director. We are therefore reappointing her as a candidate for Director. We expect her to use her knowledge and experience to contribute to appropriate decision making and supervision of overall management by the Board of Directors as an independent Outside Director from an objective perspective independent of executive management responsible for executing business and to contribute to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee and Compensation Committee.</p>			
<p>Supplementary information on independence</p> <p>Ms. Yuri Sasaki has satisfied the "Independence Standards for Outside Directors" set forth by the Company. She is currently a Director of Meiji Yasuda Life Insurance Company. However, the transaction amount for fiscal 2023 between Meiji Yasuda Life Insurance Company and the Company's group was less than 1% of the insurance premiums and other income of Meiji Yasuda Life Insurance Company and consolidated revenues of the Company. Therefore, such relationship would not affect her independence.</p>			
<p>Attendance at Board of Directors meetings (FY2023): 15 out of 15 times (100%)</p>			
<p>Term of office as an Outside Director: 3 years and 3 months</p>			

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in other Companies	Number of Company's Shares owned
7	<p data-bbox="323 719 536 748">New Appointment</p> <p data-bbox="323 763 536 792">Outside Director</p> <p data-bbox="309 808 550 837">Independent Director</p> <p data-bbox="323 891 536 958">Kayoko Kawamura (July 12, 1964)</p> <p data-bbox="323 974 536 1064">Note: Ms. Kayoko Kawamura's registered name is Kayoko Ishigami.</p>	<p data-bbox="571 331 695 360">April 1987</p> <p data-bbox="571 371 695 400">August 1999</p> <p data-bbox="571 439 695 468">January 2006</p> <p data-bbox="571 506 695 535">April 2008</p> <p data-bbox="571 573 695 602">July 2009</p> <p data-bbox="571 674 695 703">March 2010</p> <p data-bbox="571 869 695 898">January 2012</p> <p data-bbox="571 969 695 999">March 2012</p> <p data-bbox="571 1104 695 1133">July 2016</p> <p data-bbox="571 1171 695 1200">January 2019</p> <p data-bbox="571 1238 695 1267">April 2021</p> <p data-bbox="571 1305 695 1335">July 2021</p> <p data-bbox="571 1406 1007 1435">(Important Status in other Companies)</p> <p data-bbox="571 1447 1286 1503">Senior Director, Customer Support Services, Executive Officer of Teradata Japan, Ltd.</p>	<p data-bbox="1361 573 1382 602">0</p> <p data-bbox="1318 640 1425 730">Potential shares: 0</p> <p data-bbox="1302 763 1441 1227">* The number of potential shares represents the number of shares to be issued upon exercise of share acquisition rights granted in the past under the stock-based compensation stock option plan.</p>

	<p>Reasons for proposing the candidate as Director and roles expected of the candidate</p> <p>Ms. Kayoko Kawamura has a wealth of experience and knowledge in DX, having previously served as a systems engineer and head of application development for financial institutions among other positions at IBM Japan Ltd., and is currently primarily responsible for supporting digital transformation (DX) for client companies. In addition, since she has experience in the management of corporate organizations as a part-time officer, we expect her to contribute to appropriate decision making and supervision of overall management by the Board of Directors as an independent Outside Director, and are therefore appointing her as a new candidate for Director.</p> <p>We expect her to use her knowledge to advise us on the promotion of DX, one of our important measures, to contribute to appropriate decision making and supervision of overall management by the Board of Directors as an independent Outside Director from an objective perspective independent of executive management responsible for executing business and to contribute to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee and Compensation Committee.</p> <p>Supplementary information on independence</p> <p>Ms. Kayoko Kawamura has satisfied the “Independence Standards for Outside Directors” set forth by the Company. She is currently an Executive Officer of Teradata Japan, Ltd. However, there is no significant trade or other relationship between the Company and Teradata Japan, Ltd. Therefore, such relationship would not affect her independence.</p>
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Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in other Companies	Number of Company's Shares owned
8	<div data-bbox="325 741 536 779" style="border: 1px solid black; padding: 2px;">New Appointment</div> <div data-bbox="325 786 528 824" style="border: 1px solid black; padding: 2px;">Outside Director</div> Shota Kondo (September 27, 1967)	April 1991 Joined Mitsubishi Corporation May 2013 General Manager, Russia Business Dept., Natural Gas Business Div. of Mitsubishi Corporation April 2016 General Manager, Shale Gas Business Dept., Natural Gas Business Div. of Mitsubishi Corporation April 2017 General Manager, Canada Oil & Gas Business Dept., Energy Resources Div. B of Mitsubishi Corporation April 2019 General Manager, Houston Branch of Mitsubishi Corporation (Americas) (Concurrently) General Manager, Houston Branch of Mitsubishi International Corporation April 2020 General Manager, Natural Gas Group CEO Office of Mitsubishi Corporation April 2021 Senior Vice President, General Manager, Natural Gas Group CEO Office of Mitsubishi Corporation April 2022 Senior Vice President, General Manager, Corporate Strategy & Planning Dept. of Mitsubishi Corporation April 2024 Executive Vice President, Group CEO, Smart-Life Creation Group of Mitsubishi Corporation (incumbent) May 2024 Director of Lawson, Inc. (incumbent) (Important Status in other Companies) Executive Vice President, Group CEO, Smart-Life Creation Group of Mitsubishi Corporation Director of Lawson, Inc.	0 Potential shares: 0 * The number of potential shares represents the number of shares to be issued upon exercise of share acquisition rights granted in the past under the stock-based compensation stock option plan.

Reasons for proposing the candidate as Director and roles expected of the candidate

Mr. Shota Kondo has a wealth of management experience at a major Japanese general trading company, as well as deep knowledge in Japanese and international businesses. We expect him to use his experience and knowledge from a practical perspective to contribute to appropriate decision making and supervision of overall management by the Board of Directors as an Outside Director. We are therefore appointing him as a new candidate for Director. As Mr. Kondo concurrently serves as the Executive Vice President of Mitsubishi Corporation, a major shareholder of the Company, he is not designated as an Independent Director. Mitsubishi Corporation is an important business partner for the Company to work together with to aim for the improvement of corporate value.

Among other positions, including overseas assignments in the U.S., he had served as General Manager, Natural Gas Group CEO Office and General Manager, Corporate Strategy & Planning Dept. Currently he assumes a position of the Group CEO, Smart-Life Creation Group. We expect to utilize Mr. Kuga's management experience and extensive knowledge in overall Japanese and international businesses for the Company's management and effectively utilize advice from him, who has served as a chief of business areas of collaboration between Mitsubishi Corporation and the Company. We deem that this will lead to the improvement of the Company's corporate value and contribute to the enhancement of the interests of all shareholders including minority shareholders.

Mr. Kondo has indicated his intention to perform his duties as a Director for the benefit of the Company, and not for any specific shareholder. If any item of business posing a conflict of interest between Mitsubishi Corporation and the Company is submitted to the Company's Board of Directors, he will participate in neither the resolutions nor the deliberations. We expect him to use his knowledge to contribute to appropriate decision making and supervision of overall management by the Board of Directors as an Outside Director and to contribute to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee and Compensation Committee.

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. Ms. Yuri Sasaki, Ms. Kayoko Kawamura and Mr. Shota Kondo are appointed as candidates for Outside Director provided for in Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act.
 3. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements (Liability Limitation Agreements) with Mr. Takahiro Yanai and Ms. Yuri Sasaki to limit their liability for damages, to the extent of the minimum amount of liability provided for under laws and regulations, if the requirements provided for under laws and regulations are met with respect to the liability for damages under Article 423, Paragraph 1 of the Companies Act. If this item of business is approved, the Company plans to renew these agreements without making changes to their contents, and to newly conclude an agreement with Ms. Kayoko Kawamura and Mr. Shota Kondo that has the same content as this agreement
 4. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430, Paragraph 3, Item 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., said insurance agreement shall cover damages including compensation for damages and legal expenses to be borne by the insured parties. The candidates for Director in this item of business are to be included as insured parties in said insurance agreement. The agreement is to be renewed with the same contents when the agreement is next up for renewal.
 5. The Company has registered Ms. Yuri Sasaki with the Tokyo Stock Exchange as independent officer, and if this item of business is approved, the Company will continue to register said candidate with said stock exchange. The Company plans to register Ms. Kayoko Kawamura with the Tokyo Stock Exchange as independent officer.
 6. Ms. Yuri Sasaki has not been involved in corporate management in any way other than assuming office as Outside Director or Outside Statutory Auditor.; however, we believe that she will be able to properly perform her duties as Outside Director for the reasons stated in “Reasons for proposing the candidate as Director and roles expected of the candidate.”

Opinions of the Audit and Supervisory Committee

The Audit and Supervisory Committee has confirmed the status of deliberations of the Nomination Committee and the Compensation Committee with respect to the election and compensation of Directors (excluding those who are members of the Audit and Supervisory Committee).

After such deliberation and as a result of careful review by the Audit and Supervisory Committee, it has concluded that there are no particular problems with the procedures for electing the candidates, that each candidate has been elected in accordance with the Company's Selection Standards for Directors, and that each candidate is qualified to serve as a Director of the Company.

The Committee have also determined that there are no particular problems with the procedures for determining the remuneration of each Director (excluding those who are Audit and Supervisory Committee members) and that the content of such remuneration is appropriate.

Second Item of Business Election of 4 (Four) Directors who are Audit and Supervisory Committee Members

The terms of office of all 4 (four) Directors who are Audit and Supervisory Committee members will expire at the close of this Meeting. Accordingly, you are hereby requested to newly elect 4 (four) Directors who are Audit and Supervisory Committee members (the term of office: 2 years).

The Company has already obtained approval from the Audit and Supervisory Committee with respect to the proposal of this item of business.

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in other Companies	Number of Company's Shares owned
1	<p style="text-align: center;"><u>New Appointment</u></p> <p>Yoshitaka Shiba (July 25, 1961)</p>	<p>April 1986 Joined The Tokai Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>May 2009 General Manager, Kibafukagawa Commercial Banking Office of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2011 Deputy General Manager, Human Resources Division (Nagoya) of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>June 2012 Executive Officer and General Manager, Credit Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2014 Executive Officer and General Manager, Internal Audit & Credit Examination Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2016 Managing Executive Officer, in charge of corporate banking offices and branches in Central Region of Japan of The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>July 2018 Managing Executive Officer, Regional Head, Commercial Banking Offices and Branches in Central Region of Japan of MUFG Bank, Ltd.</p> <p>April 2020 Senior Managing Corporate Executive, Group CAO, and Managing Director, Head of Internal Audit Division of Mitsubishi UFJ Financial Group, Inc.</p> <p>April 2024 Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc.</p> <p>May 2024 Advisor of the Company (incumbent)</p>	<p style="text-align: center;">0</p> <p>Potential shares: 0</p> <p>* The number of potential shares represents the number of shares to be issued upon exercise of share acquisition rights granted in the past under the stock-based compensation stock option plan.</p>
<p>Reasons for proposing the candidate as Director who is an Audit and Supervisory Committee member</p> <p>Mr. Yoshitaka Shiba has a management experience at major Japanese financial institutions and experience as Group CAO and Head of Internal Audit Division. We expect him to use his experience and knowledge to contribute to ensuring sound management of the Company as a Director who is an Audit and Supervisory Committee member. We are therefore appointing him as a new candidate for Director (Audit and Supervisory Committee Member.)</p>			

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in other Companies	Number of Company's Shares owned
2	<p> <u>New Appointment</u> <u>Outside Director</u> <u>Independent Director</u> </p> <p>Hiroyasu Nakata (August 29, 1951)</p>	<p>April 1977 Completed the legal apprentice course at the Legal Training and Research Institute of the Supreme Court of Japan Admitted to the bar (Daini Tokyo Bar Association) (until March 1990)</p> <p>April 1990 Associate Professor at Faculty of Law and Economics, Chiba University</p> <p>June 1993 Professor at Faculty of Law and Economics, Chiba University</p> <p>April 1995 Professor at Faculty of Law, Hitotsubashi University</p> <p>April 1999 Professor of Graduate School of Law, Hitotsubashi University</p> <p>April 2003 Trustee of Hitotsubashi University</p> <p>April 2008 Professor at The University of Tokyo Graduate Schools for Law and Politics and The University of Tokyo Faculty of Law</p> <p>April 2015 Emeritus Professor of Hitotsubashi University</p> <p>April 2017 Professor at Waseda Law School</p> <p>June 2017 Emeritus Professor of The University of Tokyo</p> <p>June 2018 Audit & Supervisory Board Member of Mitsubishi UFJ Lease & Finance Company Limited (currently the Company)</p> <p>April 2021 Director of the Company (incumbent) (Important Status in other Companies)</p> <p>—</p>	<p>2,700</p> <p>Potential shares: 0</p> <p>* The number of potential shares represents the number of shares to be issued upon exercise of share acquisition rights granted in the past under the stock-based compensation stock option plan.</p>
<p>Reasons for proposing the candidate as Director who is an Audit and Supervisory Committee member</p> <p>Mr. Hiroyasu Nakata has contributed to appropriate decision making and supervision of overall management by the Board of Directors as a Director who is not Audit and Supervisory Committee member.</p> <p>We expect him to use deep knowledge as a legal expert to contribute to appropriate decision making and supervision of overall management by the Board of Directors an independent Outside Director, as well as to neutral and objective audits. We are therefore appointing him as a new candidate for Director (Audit and Supervisory Committee Member).</p> <p>We expect him to use his knowledge to contribute to ensuring sound management of the Company as an independent Outside Director from an objective perspective independent of executive management responsible for executing business and to contribute to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee and Compensation Committee.</p>			
<p>Attendance at Board of Directors meetings (FY2023): 15 out of 15 times (100%)</p>			

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in other Companies	Number of Company's Shares owned
3	<p style="text-align: center;"> Reappointment Outside Director Independent Director </p> <p style="text-align: center;">Hiroko Kaneko (March 28, 1958)</p>	<p>April 1980 Joined The Sapporo Television Broadcasting Co., Ltd.</p> <p>October 1989 Joined Ota Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)</p> <p>February 1993 Registered as certified public accountant</p> <p>May 2007 Partner, ERNST & YOUNG SHINNIHON (currently Ernst & Young ShinNihon LLC)</p> <p>July 2010 Senior Partner, Ernst & Young ShinNihon LLC</p> <p>April 2018 Professor at Waseda Graduate School of Accountancy</p> <p>June 2018 Audit & Supervisory Board Member, The Shoko Chukin Bank, Ltd.</p> <p>June 2019 Director of Kanagawa Chuo Kotsu Co., Ltd.</p> <p>June 2020 Audit & Supervisory Board Member of Mitsubishi UFJ Lease & Finance Company Limited (currently the Company)</p> <p>February 2021 Member of Business Accounting Council, Financial Services Agency (incumbent)</p> <p>April 2021 Director, Audit & Supervisory Committee Member of Mitsubishi HC Capital Inc. (the Company) (incumbent)</p> <p>March 2022 Member of the Board, The Yokohama Rubber Co., Ltd.</p> <p>June 2022 Director (Audit and Supervisory Committee Member), Kanagawa Chuo Kotsu Co., Ltd. (incumbent)</p> <p>June 2023 Audit & Supervisory Board Member of Development Bank of Japan Inc. (incumbent)</p> <p>June 2023 Audit & Supervisory Board Member of Shin-Etsu Chemical Co., Ltd. (incumbent)</p> <p>(Important Status in other Companies)</p> <p>Director (Audit and Supervisory Committee Member) of Kanagawa Chuo Kotsu Co., Ltd. (scheduled to retire on June 27, 2024)</p> <p>Audit & Supervisory Board Member of Development Bank of Japan Inc.</p> <p>Audit & Supervisory Board Member of Shin-Etsu Chemical Co., Ltd.</p>	<p style="text-align: center;">2,700</p> <p style="text-align: center;">Potential shares: 0</p> <p>* The number of potential shares represents the number of shares to be issued upon exercise of share acquisition rights granted in the past under the stock-based compensation stock option plan.</p>

<p>Reasons for proposing the candidate as Director who is an Audit and Supervisory Committee member and roles expected of the candidate</p> <p>Ms. Hiroko Kaneko has a wealth of experience at a major audit firm and as a university professor, as well as deep knowledge as an accounting expert. She had contributed to appropriate decision making and supervision of overall management by the Board of Directors, as well as to neutral and objective audits. We are therefore reappointing her as a candidate for Director (Audit and Supervisory Committee member). We expect her to use her knowledge to contribute to ensuring the soundness of the management of the Company as an independent Outside Director from an objective perspective independent of executive management responsible for executing business and to contribute to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee and Compensation Committee.</p>
<p>Supplementary information on independence</p> <p>Ms. Hiroko Kaneko has satisfied the “Independence Standards for Outside Directors” set forth by the Company. She currently serves as a Director of Kanagawa Chuo Kotsu Co., Ltd., an Audit & Supervisory Board Member of Development Bank of Japan Inc., and an Audit & Supervisory Board Member of Shin-Etsu Chemical Co., Ltd. The transaction amount for fiscal 2023 between each of the companies and the Company’s group was less than 1% of the consolidated revenue equivalents of each of these companies. Therefore, such relationship would not affect her independence.</p>
<p>Attendance at Board of Directors meetings (FY2023): 15 out of 15 times (100%)</p>
<p>Attendance at Audit and Supervisory Committee meetings (FY2023): 15 out of 15 times (100%)</p>
<p>Term of office as an Outside Director: 3 years and 3 months</p>

Number	Candidate's Name (Date of Birth)	Career Summary, Position, Responsibility and Representative Status in other Companies	Number of Company's Shares owned
4	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Independent Director</div> <p>Masayuki Saito (November 8, 1954)</p>	<p>April 1977 Joined Dainippon Ink and Chemicals, Incorporated (currently DIC Corporation)</p> <p>April 2008 Executive Officer, in Charge of Finance & Accounting Div. of DIC Corporation</p> <p>June 2010 Director, Executive Officer, in Charge of Finance & Accounting Div. of DIC Corporation</p> <p>April 2011 Director, Managing Executive Officer, in Charge of Finance & Accounting Div. of DIC Corporation</p> <p>April 2012 Representative Director, Senior Managing Executive Officer, Assistant to President and CEO, and in Charge of Finance & Accounting Div. of DIC Corporation</p> <p>April 2013 Representative Director, Senior Managing Executive Officer, Assistant to President and CEO, and in Charge of Finance & Accounting Div. of DIC Corporation Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.</p> <p>January 2016 Representative Director, Executive Vice President, CFO, and Assistant to President and CEO of DIC Corporation Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.</p> <p>January 2020 Representative Director, Executive Vice President, and Assistant to President and CEO of DIC Corporation Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.</p> <p>January 2021 Chairman of the Board of Directors of DIC Corporation Chairman of the Supervisory Board, Sun Chemical Group Coöperatief U.A.</p> <p>June 2022 Director, Audit & Supervisory Committee Member of Mitsubishi HC Capital Inc. (the Company) (incumbent)</p> <p>March 2024 Advisor of DIC Corporation (incumbent)</p> <p>(Important Status in other Companies) Advisor of DIC Corporation</p>	<p>2,700</p> <p>Potential shares: 0</p> <p>* The number of potential shares represents the number of shares to be issued upon exercise of share acquisition rights granted in the past under the stock-based compensation stock option plan.</p>

Reasons for proposing the candidate as Director who is an Audit and Supervisory Committee member and roles expected of the candidate
Mr. Masayuki Saito has a wealth of management experience at a major Japanese manufacturing company, as well as deep knowledge in finance and accounting. We expect him to contribute to appropriate decision making and supervision of overall management by the Board of Directors, as well as to neutral and objective audits. We are therefore reappointing him as a candidate for Director (Audit and Supervisory Committee member). We expect him to use his knowledge to contribute to ensuring the soundness of the management of the Company from an objective perspective independent of executive management responsible for executing business and to contribute to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee and Compensation Committee.
Supplementary information on independence
Mr. Masayuki Saito has satisfied the “Independence Standards for Outside Directors” set forth by the Company. He is currently an Advisor of DIC Corporation. However, the transaction amount for fiscal 2023 between DIC Corporation and the Company’s group was less than 1% of consolidated revenues of the Company. Therefore, such relationship would not affect his independence.
Attendance at Board of Directors meetings (FY2023): 14 out of 15 times (93%)
Attendance at Audit and Supervisory Committee meetings (FY2023): 15 out of 15 times (100%)
Term of office as an Outside Director: 2 years and 0 months

- (Notes)
1. There are no special interests between each candidate and the Company.
 2. Mr. Hiroyasu Nakata, Ms. Hiroko Kaneko, and Mr. Masayuki Saito are appointed as candidates for Outside Director provided for in Article 2, Paragraph 3, Item 7 of the Regulation for Enforcement of the Companies Act.
 3. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements (Liability Limitation Agreements) with Mr. Hiroyasu Nakata, Ms. Hiroko Kaneko, and Mr. Masayuki Saito to limit their liability for damages, to the extent of the minimum amount of liability provided for under laws and regulations, if the requirements provided for under laws and regulations are met with respect to the liability for damages under Article 423, Paragraph 1 of the Companies Act. If this item of business is approved, the Company plans to renew these agreements without making changes to their contents, and to newly conclude an agreement with Mr. Yoshitaka Shiba that has the same content as this agreement.
 4. The Company has concluded a directors and officers liability insurance agreement provided for in Article 430, Paragraph 3, Item 1 of the Companies Act with an insurance company. In the event of a claim for damages submitted by a shareholder or a third party, etc., said insurance agreement shall cover damages including compensation for damages and legal expenses to be borne by the insured parties. The candidates for Director in this item of business are to be included as insured parties in said insurance agreement. The agreement is to be renewed with the same contents when the agreement is next up for renewal.
 5. The Company has registered Mr. Hiroyasu Nakata, Ms. Hiroko Kaneko, and Mr. Masayuki Saito with the Tokyo Stock Exchange as independent officers, and if this item of business is approved, the Company will continue to register said candidates with said stock exchange.
 6. Mr. Hiroyasu Nakata and Ms. Hiroko Kaneko have not been involved in corporate management in any way other than by assuming office as Outside Director or Outside Statutory Auditor.; however, we believe that they will be able to properly perform their duties as Outside Directors (Audit and Supervisory Committee Members) for the reasons stated in “Reasons for proposing the candidate as Director who is an Audit and Supervisory Committee member and roles expected of the candidate.”

<Reference>

● The Company's Selection Standards for Directors

1. Directors should be mentally and physically sound enough to execute business.
2. Directors should be persons who are well respected, possess excellent integrity and hold themselves to high ethical standards.
3. Directors should have a law-abiding spirit.
4. Directors should be expected to have the ability to make objective judgments regarding management and have excellent insight and perspicacity.
5. Based on the candidates' knowledge, experience, ability, etc., it should be reasonably considered that the candidates will contribute to strengthening the functions of the Board of Directors.
6. In addition to 1. to 5. above, Outside Directors should (i) have experience, achievements and knowledge in their fields of specialty, (ii) be able to contribute to the implementation of appropriate decision making and management supervision of the Board of Directors, and (iii) be expected to set aside time necessary to perform their duties.
7. A candidate for reappointment should have fulfilled the role expected of them during their term of office.

● Independence Standards for Outside Directors

The Company shall judge the independence through confirmation as to whether the candidate at any time in the past three years has fallen under any of the following (1) through (6), on condition that the individual fulfills the requirements for independent directors set forth by the financial instruments exchanges of Japan, such as the Tokyo Stock Exchange, and then through multifaceted examination as to whether the individual can be evaluated as having independence objectively and substantially:

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

Note 1 An Executive refers to an Executive Director, Executive Officer, or other employees.

Note 2 A lender that exceeds the Company's standard refers to a lender from whom the amount the Company has borrowed exceeds 2% of the consolidated total assets of the Company.

Note 3 A business partner that exceeds the Company's standard refers to a business partner having dealings with the Company worth more than 2% of the consolidated net sales of the Company or of the business partner.

Note 4 Donations exceeding a certain amount refer to a donation exceeding 10 million yen per fiscal year.

Even if the candidate falls under any of the above (1) through (6), if there are special circumstances for designating the candidate as an independent director and the Company judges that he/she substantially has independence and therefore will register him/her as an independent director with the financial instruments exchanges of Japan, such as the Tokyo Stock Exchange, the reason therefor shall be explained and disclosed at the time of the candidate's election as an Outside Director.

Overview of Financial Results

- Net income attributable to owners of the parent increased by ¥7.6 billion (up 6.5%) year on year to ¥123.8 billion, exceeding the initial forecast of ¥120.0 billion and hitting a record high.
- New transaction volume increased by ¥411.3 billion (up 15.6%) year on year to ¥3.0519 trillion, mainly due to an increase in new transactions in the Aviation, Real Estate businesses, etc.
- ROA^{*1} was 1.1%, as per the initial forecast (1.1%), while ROE^{*2} was 7.7%, slightly lower than the initial forecast (7.8%) due to depreciation of the yen.

(Billions of yen)					
		1H FYE 3/2023	1H FYE 3/2024	YoY Change	YoY Change (%)
1	Revenues	1,896.2	1,950.5	+54.3	+2.9%
2	Gross Profit	357.3	380.0	+22.7	+6.4%
3	Operating Income	138.7	146.1	+7.4	+5.4%
4	Recurring Income	146.0	151.6	+5.5	+3.8%
5	Quarterly net income attributable to owners of the parent	116.2	123.8	+7.6	+6.5%
6	New Transactions Volume	2,640.6	3,051.9	+411.3	+15.6%
7	ROA ^{*1}	1.1%	1.1%	0.0pt	–
8	ROE ^{*2}	8.2%	7.7%	-0.5pt	–

(Billions of yen)					
		FYE 3/2023	FYE 3/2024	YoY Change	YoY Change (%)
9	Total Equity	1,551.0	1,705.3	+154.3	+9.9%
10	Total Assets	10,726.1	11,149.8	+423.6	+3.9%
11	Equity Ratio	14.3%	15.1%	+0.8 pt	–
12	Segment Assets ^{*3}	9,632.9	10,179.4	+546.5	+5.7%

*1 ROA: Return On Asset

*2 ROE: Return On Equity

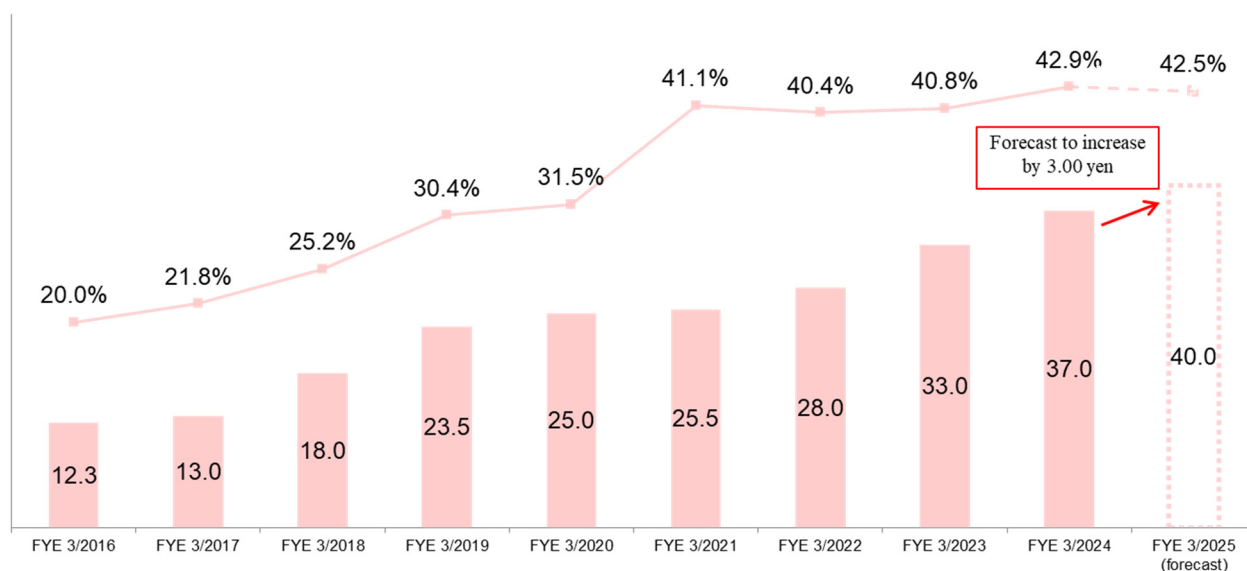
*3 Segment Assets include Operating Assets, Equity Method Investments, Goodwill, and Investment Securities, etc.

Dividend Policy

- As a general rule, we will return profits to shareholders by distributing dividends and increase the total amount of dividend payments through profit growth.
- The annual dividend per share for the fiscal year ended March 31, 2024 is ¥37, up ¥4 year on year, as per initial forecast.
- The annual dividend per share for the fiscal year ending March 31, 2025 is forecasted to be ¥40, up ¥3 year on year (interim dividend: ¥20, year-end dividend: ¥20), in line with the policy of a dividend payout ratio of 40% or more during the period of the current Medium-term Management Plan.

Annual Dividend for FYE 3/2024	37.00 yen [Payout Ratio: 42.9%]
(Interim Dividend for FYE 3/2024	19.00 yen)
Annual Dividend for FYE 3/2024 (forecast)	40.00 yen [Payout Ratio: 42.5%]

Changes in Dividend

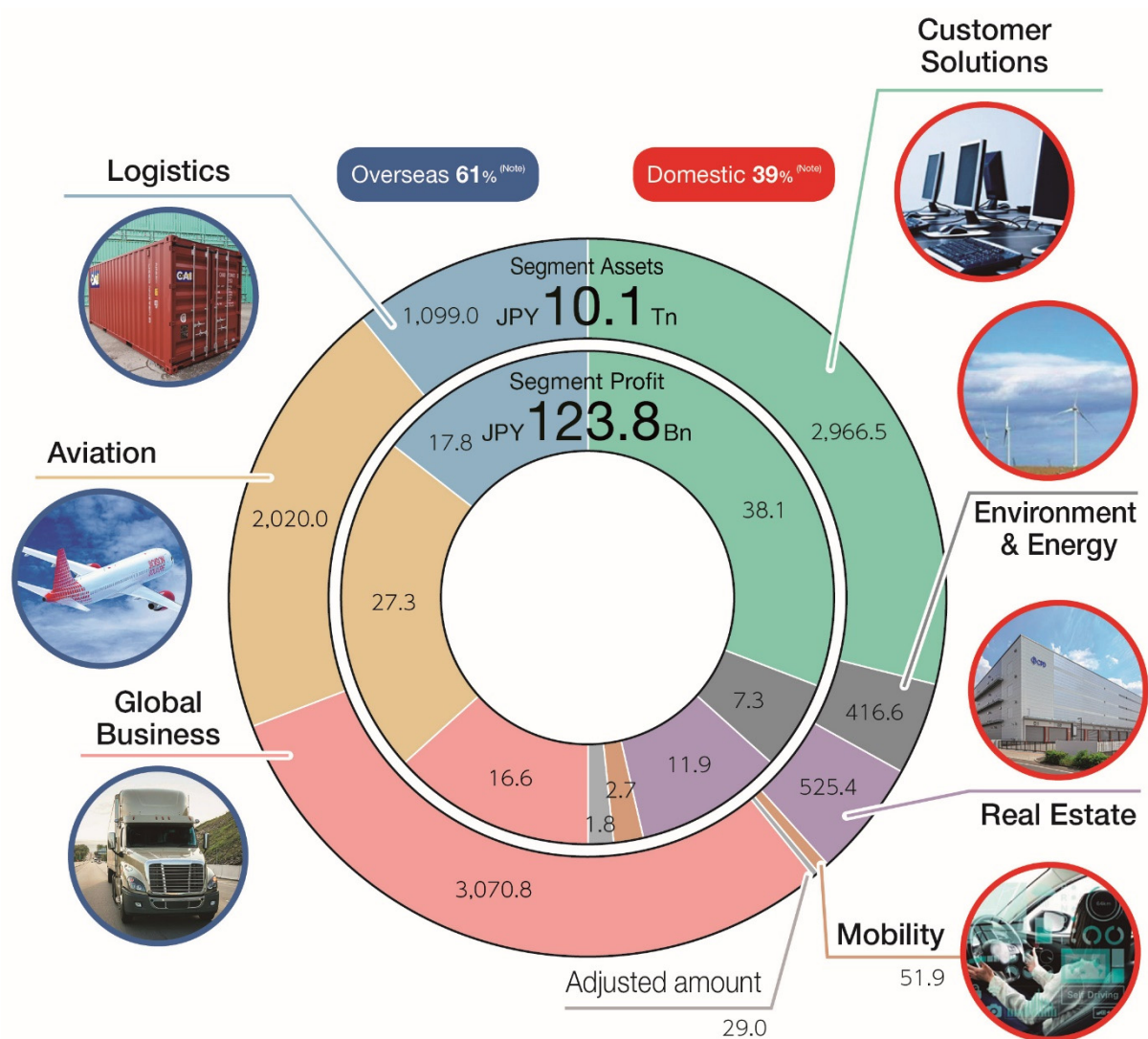


* Mitsubishi UFJ Lease & Finance's results from FYE 3/2016 to FYE 3/2021

Introduction to the Company's Businesses

- The Group is conducting its business in the seven segments of “Customer Solutions,” “Global Business,” “Environment & Energy”^(Note 1), “Aviation,” “Logistics,” “Real Estate,” and “Mobility.”

[Overview of the Segments for FY2023] (Billions of yen)



(Note 1) Following the organizational changes effective April 1, 2023, the name of the reportable segment “Environment, Energy & Infrastructure” was changed to “Environment & Energy” from the fiscal year ended March 31, 2024.

(Note 2) Total segment assets of the Customer Solutions, Environment & Energy, Real Estate, and Mobility segments are counted as domestic, and those of the Global Business, Aviation, and Logistics segments are counted as overseas. However, since some segments include both domestic and overseas assets, the ratios are approximate values.

(Note 3) Adjustments primarily represent segment assets, expenses and revenues that are not attributable to the reporting segment.

Customer Solutions

Main business

Finance solutions business for companies and government agencies, energy-saving solution business, sales finance business provided through collaboration with vendors, real estate leasing business, and financial service business

Core strategies

- Enhance profitability by launching many new services for which we have concluded PoC*¹ with each partner company.
- We will accelerate the evolution and layering of business models by creating various solutions that help us provide added value to customers and resolve their management issues, and promoting internal collaboration on and the dissemination of such solutions.
- Reform sales processes by improving accuracy and efficiency of sales activities through the development/usage of a new CRM*² and the reallocation of human resources.

*1 PoC (Proof of Concept): Verification of feasibility of new ideas and technologies

*2 CRM (Customer Relationship Management): Customer information management system

Environment & Energy

Main business

Renewable energy business

Core strategies

- Further expand our domestic power generating capacity (solar, wind, etc.) (targeting over 1,000MW by the end of FY2024).
- Accelerate sales of domestic solar and biomass power generation businesses in which we have a minority stake*³.
- Develop renewable energy power generation businesses in Europe through European Energy A/S (a company developing and operating renewable and next-generation energy businesses), in which we acquired a 20% stake in April 2024.
- Replace our portfolio by selling overseas infrastructure assets.

*3 Minority stake: Investment in which shares of the investee company are acquired within a range that does not exceed a majority of the voting rights (less than 50%) of the investee company.

Logistics

Main business

Marine container leasing business, railway freight car leasing business

Core strategies

- Accumulate transactions by executing more new investments in the container leasing business, and maintain high utilization rates by further sophisticating operations.
- Acquire highly profitable and long-term transactions in the North America freight railcar leasing business and continue to generate gains on sales by strengthening O&D operations.

Mobility

Main business

Mobility-related businesses focused on auto leasing and fleet management services

Core strategies

- Expand domestic and overseas EV integrated services.
- Reduce costs and strengthen sales capabilities from the merger of the two domestic auto leasing companies.

Global Business

Main business

Finance solutions business in Europe, the Americas, China, and ASEAN, as well as sales finance business in collaboration with vendors.

Core strategies

[Europe]

- Promote the accumulation of high-quality new assets in the decarbonization domain and other businesses as well as profit expansion strategies, such as an increase in gains on sales of used cars.
- Expand interest rate fees by reducing funding costs, etc.

[Americas]

- Expand fees based on an improved interest rate environment as well as through initiatives such as revising pricing standards, etc.
- In the sales finance business for commercial trucks, review the models and processes to control credit risks in consideration of third-party assessments.
- Diversify and restructure our business portfolio to achieve appropriate risks and returns.

Aviation

Main business

Aircraft leasing business and aircraft engine leasing business

Core strategies

- Enhance profitability by strengthening coordination between the aircraft/aircraft engine leasing, engine parts sales,^{*4} and Japan businesses.
- Stably expand the high-quality portfolio through M&A and other measures
- Expand businesses and services aimed at realizing a decarbonized society

*4 Engine parts sales: A business that dismantles used engines and sells the individual parts.

Real Estate

Main business

Real estate financing business, real estate investment business, real estate asset management business

Core strategies

- Increase profit generated during leasing terms by enhancing development and adding value in Japan and continue to generate gains on sales of assets.
- O&D^{*5} in domestic finance businesses and restructuring of the Division's portfolio.
- Reduce losses and collect the maximum amount of debts in problematic U.S. projects.

*5 O&D (Origination & Distribution): A business model for real estate non-recourse loans aiming to increase profitability through sales or sub-participation of loans in part to external parties such as by dividing loans into senior loan portions and subordinated loan portions.

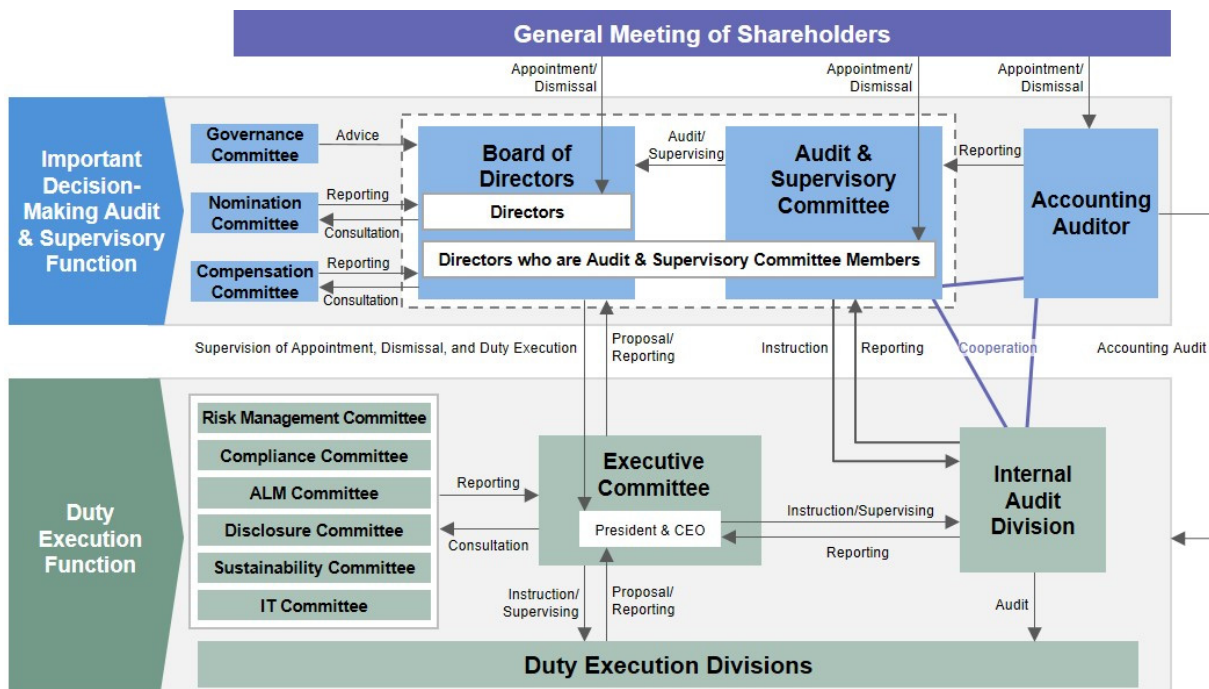
Initiatives on Corporate Governance

[Corporate Governance Systems]

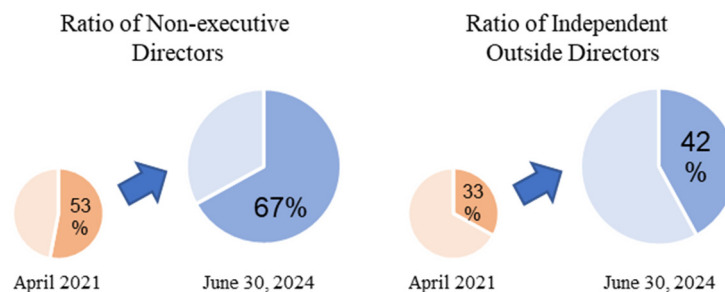
MHC is a company with an audit & supervisory committee, and has established a Board of Directors to be responsible for important decision-making and supervisory functions, and an Audit & Supervisory Committee to be responsible for audit and supervisory functions.

In addition, to further enhance its corporate governance, the Company has established the Nomination Committee and the Compensation Committee, as advisory bodies to the Board of Directors related to the nomination of the President, remuneration for Directors, and other matters. The Company has also established the Governance Committee, which consists of Outside Directors, Representative Directors, and others, as an organization that gives the Board of Directors advice related to matters including improvement of its effectiveness.

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



[Changes in Ratio of Directors]



Evaluation of the Effectiveness of the Board of Directors

The Company has continued efforts to further improve the effectiveness of the activities of the Board of Directors based on the review and assessment by all of the Directors on their activities throughout the year for the purpose of maintaining and improving the function of the Board of Directors. Details of the effectiveness assessment of the Board of Directors for FY2023 is as follows.

[Major Initiatives for FY2023]

Issues in FY2022	Response to Issues
Allocating time for deliberation according to the significance of the agenda items	<ul style="list-style-type: none"> Review the standards for items to be submitted to the Board of Directors and appropriately change the frequency of reports from each committee of the management meeting, etc. Enhance prior explanations on key agenda items Start a system for relevant departments to answer questions submitted by directors in advance.
Improving explanations of agenda items	<ul style="list-style-type: none"> Thoroughly clarify the points of materials, simplify them, unify their formats, etc. Bring forward the deadline for providing materials
Promoting understanding on business	<ul style="list-style-type: none"> Ongoing reporting of the current status of each unit and each business division Ongoing provision of explanations of business details from each Division Head of Corporate Center to Outside Directors at the Audit & Supervisory Committee Visit to domestic sites and investment facilities Interview between Outside Directors and overseas Group companies' management and visits to overseas sites
Enhancing communication	<ul style="list-style-type: none"> Continue to hold meetings of Independent Outside Directors only Hold opinion meetings between Independent Outside Directors and Chairman and President
Providing opportunities for self-development	<ul style="list-style-type: none"> Enhance opportunities for obtaining information on currently appropriate themes such as DX and sustainability

[Details of the Effectiveness Assessment of the Board of Directors for FY2023]

Assessment manner	<ul style="list-style-type: none"> Having confirmed the validity of the self-assessment method used for FY2022, the Company decided to conduct a survey of all Directors on the effectiveness of the Board of Directors, Governance Committee, Nomination Committee, and Compensation Committee, for FY2023 as well. <div style="text-align: center; margin: 10px 0;"> <p>The diagram shows a horizontal timeline with four stages: February 2024 Governance Committee (blue arrow), March 2024 (orange arrow), April/May 2024 Governance Committee (light blue arrow), and May 2024 Board of Directors (green arrow).</p> </div> <ul style="list-style-type: none"> Decided to conduct a survey using a questionnaire. (discussed questions for the questionnaire) Finalized questions based on the discussion in February. All Directors answered the questionnaire. Confirmed issues and discussed responses to the issues in the Governance Committee meetings in April and May based on the results of the questionnaire. Summarized the evaluation of the effectiveness in fiscal 2023.
Results	<p>The major results of the assessment above are shown below:</p> <p>(1) It was determined that the Board of Directors, etc. of the Company are sufficiently performing their roles.</p> <ul style="list-style-type: none"> ✓ Following the review of the standards for items to be submitted to the Board of Directors in October 2023, lively discussions were held in the latter half of the

	<p>fiscal year because it became possible to use more time for deliberation over important agenda items. This led to fostering mutual understanding and common awareness among Directors.</p> <ul style="list-style-type: none"> ✓ Information has been provided to Outside Directors in various forms, and opinions have been exchanged in an atmosphere where it is easy to exchange questions and opinions. ✓ Effective measures have been implemented to solve all of the issues that were recognized in the previous effectiveness assessment. For example, Directors' understanding of business was enhanced through prior explanations provided as necessary, meetings of Independent Outside Directors only, visits to domestic and overseas offices, etc. ✓ Substantial deliberation has been conducted with the Governance Committee, Nomination Committee, and the Compensation Committee based on appropriate provision of information. <p>(2) Meanwhile, it has been recognized that there is room for improvement in matters (themes) to be discussed in the Board of Directors, Governance Committee, Nomination Committee, and the Compensation Committee, the contents of materials and explanations to further enhance the effectiveness of the Board of Directors, etc., information provision frameworks, further enhancement of communication, and other matters. We will address the further enhancement of corporate governance by steadily implementing efforts to resolve every issue.</p>
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(Attached Documents)

Business Report

(April 1, 2023 to March 31, 2024)

1. Matters concerning the Status of the Group

(1) Business progress and results

1) Overview of financial results, etc.

For the fiscal year ended March 31, 2024, net income attributable to owners of the parent increased by ¥7.6 billion (+6.5%) to ¥123.8 billion. The annual dividend per share increased by ¥4 year on year to ¥37, increasing for 25 consecutive fiscal years.

■ Revenues (consolidated)	(year on year)	■ Recurring income (consolidated)	(year on year)
¥1,950.5 billion	+54.3 billion (+2.9%)	¥151.6 billion	+5.5 billion (+3.8%)
■ Gross profit (consolidated)	(year on year)	■ Net income attributable to owners of the parent (consolidated)	(year on year)
¥380.0 billion	+22.7 billion (+6.4%)	¥123.8 billion	+7.6 billion (+6.5%)
■ Operating income (consolidated)	(year on year)	■ New transactions volume (consolidated)	(year on year)
¥146.1 billion	+7.4 billion (+5.4%)	¥3,051.9 billion	+411.3 billion (+15.6%)

2) Major topics

Formulation and announcement of the Medium-term Management Plan for FY2023 - FY2025 (2025 MTMP)

The Company formulated the Medium-term Management Plan covering the three-year period from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026 (the “2025 MTMP”), which was announced in May 2023. The 2025 MTMP is positioned as the “hop” plan of our three Medium-term Management Plans (“hop,” “step,” and “jump”) toward Our 10-Year Vision (Together we innovate, challenge and explore the frontiers of the future). The financial targets for the fiscal year ending March 31, 2026, the final year of the 2025 MTMP, are ¥160.0 billion in net income attributable to owners of the parent, approximately 1.5% ROA*1, and approximately 10% ROE*2, in addition to 40% or higher in payout ratio during the period of the 2025 MTMP. Net income attributable to owners of the parent is used in the calculations of ROA and ROE.

For details on the 2025 MTMP, please refer to “2) The Company’s management strategy in the medium to long term and issues to be addressed” under “(2) Issues to be addressed.”

*1: Return On Asset

*2: Return On Equity

Major business topics

- Apr. 2023
- Announced the conclusion of a “Virtual PPA” (non-fossil certificate transfer agreement for renewable energy electricity) between Mitsubishi HC Capital Energy Inc., which is engaged in the renewable energy power generation business, and Tokyo Metro Co., Ltd.
 - Made CenterPoint Development Inc., a Group company engaged in the development of logistics facilities and an asset management business specializing in such facilities, a wholly-owned subsidiary.

- Established the “Innovation Investment Fund” with a total ¥10.0 billion of funds available for investments in startups with the aim to promote creation of new services and development of new businesses, and started operations.

<Investment activities in FY2023 (fiscal year ended March 31, 2024)>

Investee companies	Business description
Tabist Co., Ltd.	Provision of DX services for hotel reservation management and pricing
ZERO Co., Ltd	Operation of vending machines to contribute to reduction of food loss
Credit Engine Group, Inc.	Development and operation of online trading platform business
MedUp, Inc.	Provision of products to improve hospital management such as enhancement of regional cooperation
matsuri technologies Inc.	Operation of private lodging and short-term rental services
M-INT Inc.	Development of electronic referral systems and medical resource databases
Aakel Technologies Inc.	Provision of DX services related to decarbonization and EV energy management

- May 2023 • Announced HSE Ltd., engaged in the renewable energy power generation business, launched a renewable energy aggregation business (prediction of renewable energy power generation and preparation of power generation plans, and provision of electricity and non-fossil value based on them).
- Aug. 2023 • Announced to start business operations in Silicon Valley in the U.S. to strengthen the business intelligence function as part of the innovation initiatives.
- Sep. 2023 • Mitsubishi HC Capital Energy Inc. and Mitsubishi Auto Leasing Corporation launched an integrated service necessary for the introduction and operation of EVs, including the supply of EVs and charging infrastructure as well as renewable energy as the power source.
- Announced the business alliance with Horizon Ocean Management, Ltd. with the aim of stabilizing and improving efficiency of the O&M service (maintenance, inspection and repair) in the offshore wind power generation business.
- Nov. 2023 • Announced the business alliance with Lenovo Japan LLC and Mitsubishi UFJ Trust and Banking Corporation with an aim to provide a comprehensive package service to support startups, including PC subscription service.
- Announced the launch of a verification project using robots in logistics facilities, as a METI commissioned project, together with BIC CAMERA INC. and YAMAZEN CORPORATION.
- Started offering facial photo collection and authentication service on a subscription model with TOPPAN Edge Inc.
- Signed a partnership agreement with AeroEdge Co., Ltd. manufacturing and selling aircraft engine parts with an aim to enhance the partnership to accelerate DX and SDGs in the aviation industry.
- Dec. 2023 • Selected the first projects that passed the final review in the internal startup program of the Zero-Gravity Venture Lab, an initiative aimed at accelerating new business development, and officially launched the projects toward the establishment of a company.
- Announced to start a trial for a preventive maintenance service for infrastructure using an earthworm-like in-pipe crawling robot “Sooha” offered by SoLARIS Inc.
- Jan. 2024 • Decided to invest in European Energy A/S, a Danish company developing and operating renewable and next generation energy business (investment was executed in April 2024).
- Transferred shares of DFL Lease Co., Ltd. and Shutoken Leasing Co., Ltd., both Group companies.
- Feb. 2024 • Announced the launch of a joint venture for renewable energy generation based on a PPA (Power Purchase Agreement) between the Group, TOKYU CORPORATION and TOKYO POWER SUPPLY CO., LTD and the conclusion of a contract for the first project.
- Announced the transfer of shares of Sekisui Leasing Co., Ltd., a group company (transfer scheduled for June 3, 2024).

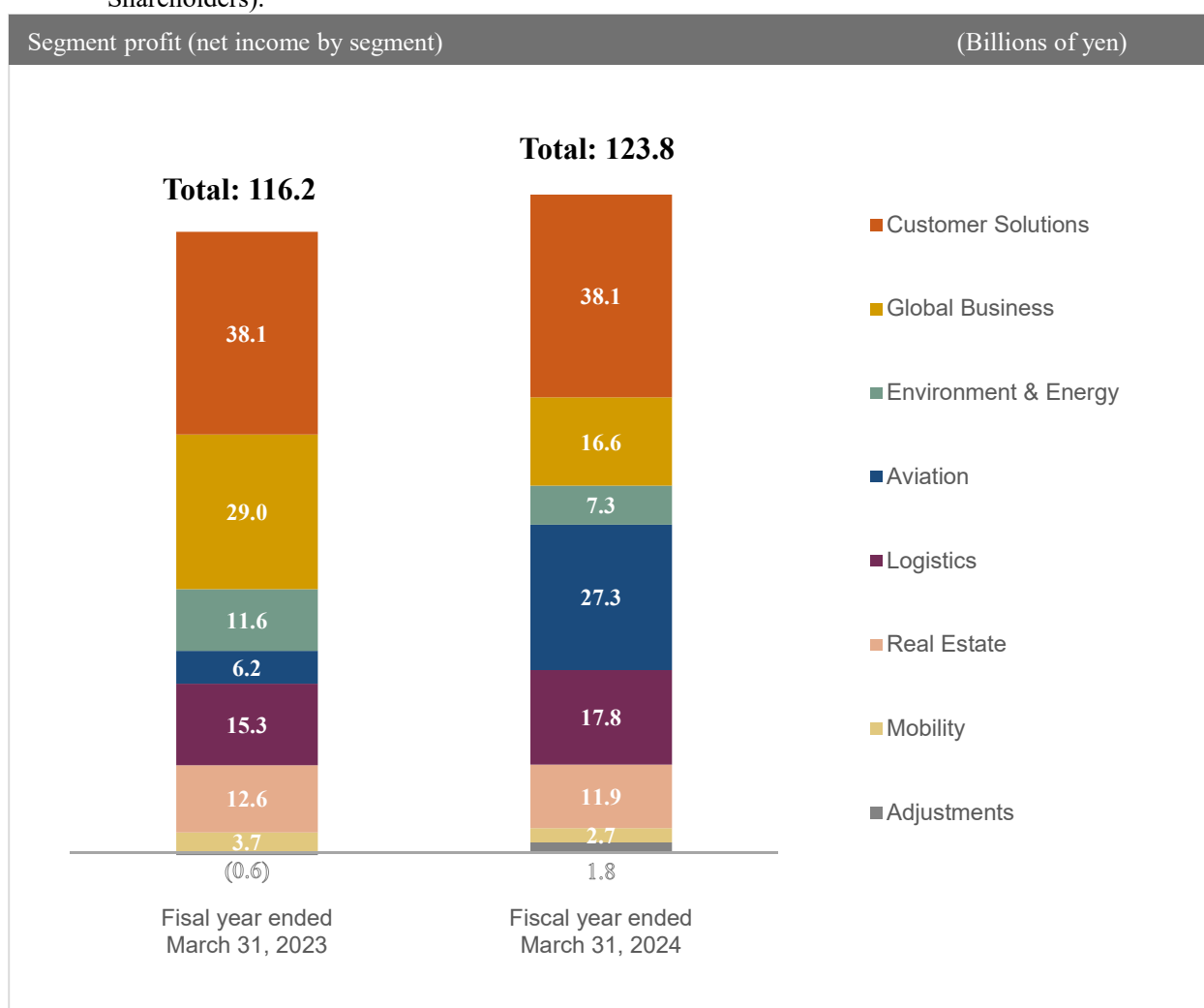
- Decided to establish the “Robotics Business Development Department,” a dedicated organization to accelerate the development and promotion of new businesses in the robotics sector, in April 2024.
- Mar. 2024 • Began the full-scale utilization of generative AI by the Company in cooperation with Hitachi, Ltd.

3) Operating results by reportable segment

Operating results by reportable segment are as follows.

In accordance with the organizational changes effective April 1, 2023, the name of the reportable segment “Environment, Energy & Infrastructure” was changed to “Environment & Energy” from the current fiscal year.

A description of the business in each segment is provided in “Principal business” section of the Other Matters Subject to the Electronic Provision Measures (Matters Omitted from Documents Delivered to Shareholders).



	Main factors for changes in segment profit
Customer Solutions	Segment profit amounted to ¥38.1 billion, which was nearly unchanged from the level as the previous fiscal year, mainly due to an increase in gains on sales of strategic shareholdings, despite large gains on sales of assets related to real estate leasing recorded in the previous fiscal year and the absence of guarantee received for certain projects.
Global Business	Segment profit decreased by ¥12.4 billion (-42.8%) year on year to ¥16.6 billion mainly due to an increase in credit costs in line with worsening market conditions for a subsidiary in the Americas and the absence of gains on revaluation of securities for a European subsidiary recorded in the previous fiscal year, despite factors contributing to profit increase such as adjustments for fiscal periods associated with the reorganization of subsidiaries in the Americas. Effective April 1, 2023, a business integration was executed for three subsidiaries in the Americas with different fiscal year-ends. While the surviving company's fiscal year-end is March 31, the fiscal year-end of the two absorbed companies was December 31. Accordingly, the results of the two absorbed companies for the period from January 1, 2023 to March 31, 2023 are also included for the current fiscal year (April 1, 2023 to March 31, 2024) and have been a factor for an increase in profit.
Environment & Energy	Segment profit decreased by ¥4.3 billion (-37.1%) to ¥7.3 billion mainly due to recording impairment losses associated with a solar energy generation project in Japan and a decrease in profits from equity-method investments, despite an increase in gain on sale of assets.
Aviation	Segment profit increased by ¥21.1 billion (+340.3%) to ¥27.3 billion due to an increase in leasing revenue, reversal of large credit costs, a decrease in impairment losses, and a decrease in exchange revaluation losses related to foreign currency-denominated borrowings in aircraft leasing transactions engaged in solely by the Company.
Logistics	Segment profit increased by ¥2.4 billion (+15.9%) to ¥17.8 billion mainly due to an increase in gain on sale of assets, mainly ships, despite a decrease in leasing revenue due to normalization in the operating rate for marine container leasing, the market for which had been overheating.
Real Estate	Segment profit decreased by ¥0.7 billion (-5.6%) to ¥11.9 billion mainly due to recording losses in line with a worsening real estate market for certain projects in the U.S., effects of the deconsolidation of Diamond Asset Finance Company Limited, and an increase in income tax expenses, despite an increase in gain on sale of assets and the recording of gain on step acquisitions associated with the conversion of CenterPoint Development Inc. to a wholly-owned subsidiary.
Mobility	Segment profit decreased ¥1.0 billion (-26.4%) to ¥2.7 billion mainly due to the negative effects of the deconsolidation of Mitsubishi HC Capital Auto Lease Corporation.

4) Consolidated financial position

Total assets at the end of the current fiscal year increased by ¥423.6 billion (+3.9%) year on year to ¥11,149.8 billion, total equity increased by ¥154.3 billion (+9.9%) year on year to ¥1,705.3 billion, interest-bearing debt (excluding lease obligations) increased by ¥203.6 billion (+2.5%) year on year to ¥8,439.7 billion, and equity-to-asset ratio increased by 0.8 percentage points from the end of the previous fiscal year to 15.1%.

(2) Issues to be addressed (Management policy, business environment, issues to be addressed)

1) Basic management policy

As its basic management policy, the Company has established “Our Mission,” “Our Vision,” and “Action Principles” indicated below.

“Our Mission” is our long-term goal, “Our Vision” is the objectives to achieve our long-term goal, and the “Action Principles” are the values and mindset to be held and actions to be taken by each and every employee in order to realize our Mission and Vision.

◎ Our Mission

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

◎ Our Vision

- 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

- 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.

Mitsubishi HC Capital Inc. has identified the six material issues below as priority key challenges which must be addressed to achieve sustainable development of Mitsubishi HC Capital Group.

Against the backdrop of global megatrends in recent years such as climate change driven by global warming, population growth, urbanization, and scarcity of resources, our lives and social environment are largely changing globally, and companies are expected to make efforts to solve numerous issues, such as promoting a decarbonized society and building a circular economy.

The Group will proceed its effective management and business activities toward solving such issues based on the materiality with appreciating the significance.

Materiality	Why the Group treats as highly material challenges	How related to SDGs
Promote a decarbonized society	<ul style="list-style-type: none"> ■ 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. ■ The impact on the business side is large and significant, involving matters including distinguishing activities that go against the social issues. 	
Realize the circular economy	<ul style="list-style-type: none"> ■ The Group aims to contribute to creating a circular economy by reducing waste, not only within the Group but also in society through maximizing the potential of assets. As a leader in the leasing industry, the Group believes this issue is highly material. ■ The Group can also contribute to realizing a sustainable and prosperous society through strengthening the collaboration between partners. 	
Establish resilient social infrastructure	<ul style="list-style-type: none"> ■ The Group recognizes that the business has many opportunities to support infrastructure projects in Japan that require repair and rebuilding, as well as the development of infrastructure and creation of smart cities in emerging countries with active collaboration between various partners. ■ The Group will contribute to the diversification, enhancement and optimization of the business through establishing systems and providing services for supporting the collaboration between companies. 	
Realize healthy lifestyles that promote positive wellbeing	<ul style="list-style-type: none"> ■ It is vital for stakeholders that the Group recognizes the importance of health, safety, and physical and mental wellbeing for realizing a prosperous future. ■ Valuable human resources are key to the value and trust in our corporate activities. Improving employee motivation, acquiring top talent, and similar actions are highly important. 	
Create businesses utilizing the latest technologies	<ul style="list-style-type: none"> ■ Both financing for the purpose of the digital transformation of customers and using internal digital technologies to increase the efficiency for this promote the development for new business models. ■ The Group identifies this for highly material opportunities for diversified and innovative business creation, including establishing supply chains utilizing alternative energies. 	
Collaborate with partners locally and globally	<ul style="list-style-type: none"> ■ Social issues differ by country and region. The Group should create synergies with local partners and find new opportunities inside and outside of Japan, meeting individual needs through community based efforts. ■ The Group can realize mutual benefits in developing society by utilizing its integrated capabilities. 	

- 2) The Company's management strategy in the medium to long term and issues to be addressed
- (i) Business environment

In recent years, there have been drastic changes in the external environment and there is an increasing need to recognize megatrends, or the trends influencing domestic and international economies over the medium to long term, such as geopolitics and the economy, climate change, expansion and evolution of technology, demographics, and wealth disparities.

In these changes to the external environment, the roles required of the Group are changing to better resolve social issues through business investment and operation, in addition to conventional leasing and finance. Further, business models at an industry level are expected to change rapidly at a speed which has exceeded all expectations. In such circumstances that all companies are to adapt to the environmental changes, the prominence of the Group, holding various asset-related functions and offering flexible services which are not limited to financial functions, will increase further.

In light of these circumstances, the Group formulated a Medium-term Management Plan (2025 MTMP) that covers the three-year period starting from FY 2023 (the fiscal year ending March 31, 2024) and announced it in May 2023.

- (ii) The Direction the Group Should Take and the Outline of the 2025 MTMP

The Group has established Our 10-year Vision, "Together we innovate, challenge and explore the frontiers of the future." In order to achieve this vision, we are proceeding with the evolution and layering of business models by developing services and promoting business investment utilizing tangible and intangible assets, such as data and other elements, to their fullest potential.

For the promotion of the above, we will aim for sustainable growth by solving environmental, social and economic issues. At the same time, we will aim to enhance our medium- to long-term corporate value by achieving an optimal balance sheet based on well-balanced growth potential, return on capital, and financial soundness.

The 2025 MTMP is positioned as the "hop" plan of our three Medium-term Management Plans ("hop," "step," and "jump") toward Our 10-year Vision. We will address the management plan with "sowing seeds" and "gaining a solid foothold" leading to a leap to the "step" and "jump" plans as keywords.

Our 10-year Vision

"Our 10-year Vision" is to be "Together we innovate, challenge and explore the frontiers of the future." This is inspired by the following aspirations.

- To achieve our mission, continue to be an "innovator (who ventures into unexplored fields and creates innovation)" who challenges the frontiers of the future without being bound by precedents.
- Anticipate the changes in society and the business environment including changes in global industrial structures, accelerating digitalization and increasing importance of sustainability, and continue addressing social issues that can be solved only by MHC through approaches such as SX (sustainability transformation) and DX (digital transformation) with customers and partners.

(iii) Business Strategies

Business types

The Group's businesses are classified into the five types below and is proceeding with the evolution and layering of business models to achieve business portfolio transformation.

Business Type	Business Characteristics
(e) Asset utilization business	Promote businesses investment utilizing assets, aiming to maximize revenue from those businesses
(d) Data utilization platform services	Utilize data to develop platform businesses, and mainly acquire service revenue
(c) Finance + services	Mainly add maintenance services, asset management, etc. to "(b) Asset finance," and acquire service revenue as well as income gain and capital gain
(b) Asset finance	Investment and lending mainly in specific marketable general purpose assets backed by the value of business assets. Capital gain as well as income gain can be acquired
(a) Customer finance	Acquire income gain more stably and continuously through corporate financing

Vision of the "evolution and layering of business models"

The evolution and layering of business models will proceed by simultaneously working on the enhancement of the profitability and efficiency of existing businesses, shifting existing businesses to high value-added services, and developing new businesses.

- Enhance profitability and efficiency of existing businesses

(a) Customer finance and (b) asset finance are positioned as profit bases for creating stable cash flows from their firm customer bases. On the other hand, given that returns on some assets are relatively low, in addition to strengthening their profitability, we will steadily promote the reduction of low-profitability assets.

- Shift existing businesses to high value-added services

We will maintain and expand our (a) customer finance and (b) asset finance customer bases and shift these existing businesses to high value-added services—namely (c) finance + services and (d) data utilization platform services—and increase their returns by improving customer experience.

- Develop new businesses

We will proceed with the development of (d) data utilization platform services, (e) the asset utilization business, and other new businesses, and focus on these new businesses as the pillars of medium- to long-term profit growth, in addition to (c) finance + services.

Premise for business strategies

We will achieve profit growth by transforming our business portfolio and the quality of our assets in the medium- to long-term through the evolution and layering of business models. To this end, we will actively invest cash flows from a medium- to long-term perspective after paying dividends.

For the purpose of supporting this effort, we will achieve medium- to long-term return on capital and financial soundness by optimizing our balance sheet, and then maximize our corporate value.

Key themes across segments

We have defined the themes below to be addressed with the concerted efforts of the Group across segments.

These themes will lead to our goal of contributing to a prosperous and sustainable future by creating social value with partners, not by the Group alone.

	Future vision
Hydrogen	As a leading holder of renewable energy power sources in Japan, contribute to building a hydrogen supply chain with green hydrogen production at the core.
EVs	Contribute to realizing a carbon-neutral society based on EVs.
Logistics	To address social issues and customer needs in logistics supply chains, develop and provide optimal logistics solutions by collaborating with leading partners and thereby achieve a full line-up of logistics services.
Decarbonization Solutions	Evolve into an integrated service provider to realize a decarbonized society.

(iv) Corporate Functions Strategies

We are enhancing our corporate functions centering on the four strategies below.

	Major Initiatives for the 2025 MTMP
Fostering and securing talent	<ul style="list-style-type: none"> Enhance employee engagement by utilizing surveys, etc. Develop a talent portfolio contributing to the achievement of management strategies Strategically disclose human capital
Bolstering the financial base and internal organizational base	<ul style="list-style-type: none"> Procure stable and competitive funds, expand funding capacity and enhance the ALM* framework Redevelop frameworks for credit examination and management in response to business portfolio transformation Develop optimal IT systems responding to new businesses and business models
Strengthening the corporate governance framework	<ul style="list-style-type: none"> Promote group-wide unified management by strengthening the consolidated management framework Enhance integrated risk management in response to business advancement and changes Develop a framework for unified management of internal auditing on a global basis
Enhancing stakeholder engagement	<ul style="list-style-type: none"> Enhance financial and non-financial information to be disclosed and diversify means to dispatch information Enhance communication with external stakeholders Promote and strengthen efforts for sustainability

*Asset Liability Management: Comprehensive management of assets and liabilities

(v) Frameworks to promote transformation

We will eliminate obstacles to achieving transformation, and change our way of thinking for transformation.

We will speedily promote various initiatives from new perspectives and not simply stay on conventional paths.

	Direction of Initiatives
1) “Lay” the foundation of transformation	Foster all employees’ awareness of transformation
2) “Create” transformation	Develop frameworks so that efforts contributing to transformation can be actively launched
3) “Promote” transformation	Develop an agile discussion framework and promote transformation by advancing efficient decision-making processes and the delegation of authority that comes with responsibility, etc.

(vi) Business issues to be addressed as a priority matter

In order to achieve “Our 10-year Vision,” the Group is proceeding with the “evolution and layering of business models” by promoting services and business investment, utilizing tangible and intangible assets, such as data and other elements, to their fullest potential.

It is considered necessary to transform the awareness of each employee in order to progress the “evolution and layering of business models.” As a mechanism for this, we will build the

“frameworks to promote transformation” described in the previous section. As the “frameworks to promote transformation,” we are implementing measures from three angles of “laying the foundation of transformation,” “creating transformation,” and “promoting transformation,” and are executing the measures from new perspectives that are not an extension of the past.

Further, the 2025 MTMP is positioned as the “hop” plan of our three Medium-term Management Plans (“hop,” “step,” and “jump”) toward “Our 10-Year Vision,” and will be strategically implemented to contribute to the “sowing seeds” and “gaining a solid foothold” that will lead to the leap towards the “step” and “jump” phases, including transforming the awareness of employees towards reform.

3) Target performance indicators

The Company will aim to achieve the following financial and non-financial targets during FY 2023 to FY 2025 (from the fiscal year ending March 31, 2024 to the fiscal year ending March 31, 2026), which is the period that is the subject of the 2025 MTMP.

<Financial targets>

Item	Targets	
Financial Targets (End of FY2025)	Net income attributable to owners of the parent	¥160.0 billion (+11.2% vs. FY2022 CAGR)
	ROA	Approx. 1.5% (Approx. +0.4pts vs. FY2022)
	ROE	Approx. 10% (Approx. +1.8pts vs. FY2022)
Dividend Policy (2025 MTMP period)	Payout ratio: 40% or higher	<ul style="list-style-type: none"> As a general rule, return profits to shareholders by paying dividends Increase the total amount of dividend payment through profit growth
Financial Soundness (2025 MTMP period)	Maintain A ratings	<ul style="list-style-type: none"> Establish both a sound financial base and an active investment strategy Maintain current stand-alone ratings*

(Note) Net income attributable to owners of the parent is used in the calculations of ROA and ROE.

* Credit ratings for the Group on a stand-alone basis without external support.

<Non-financial targets>

KPI	Targets (2025 MTMP)
Level of fulfillment of a talent portfolio in line with our management strategies (non-consolidated)	Formulate the talent portfolio framework and visualize the level of fulfillment.
Results of the employee engagement survey (non-consolidated)	Refine the survey content, enhance analysis.
Employee ratio of “standard” level or higher in DX assessments (non-consolidated)	80% or more
Monthly average overtime hours (operational efficiency) (non-consolidated)	14 hours or less
Rate of annual paid holidays taken by employees (non-consolidated)	70% or more
GHG emissions amount (Scope 3*) (consolidated)	Analyze the categories which have a major impact and visualize Scope 3* emissions.
GHG emissions amount (Scope 1*, 2*) (consolidated)	FY 2030: -55% compared to FY 2019 FY 2050: net zero
Energy consumption (domestic) (non-consolidated + domestic Group companies)	-1% YoY continually.

* Scope 1: Direct emissions of GHG from the business operator itself (fuel combustion, industrial processes)

Scope 2: Indirect emissions associated with use of electricity, heat, and steam supplied by other companies.

Scope 3: Indirect emissions other than Scope 1 and Scope 2 (other companies’ emissions related to the business operator’s activities)

(3) Status of capital investments

The total investment in leased assets related to operating lease transactions during the current fiscal year was ¥843.2 billion.

(4) Status of financing

Interest-bearing debt on a consolidated basis came to ¥8,439.7 billion, an increase of ¥203.6 billion from the end of the previous fiscal year.

Out of this, borrowings from financial institutions came to ¥4,919.3 billion (a ¥72.7 billion increase from the end of the previous fiscal year), and direct funding through bonds payable, commercial papers, and securitization of receivables, etc. came to ¥3,520.4 billion (a ¥130.8 billion increase from the end of the previous fiscal year).

When financing, the Group attempted to stabilize funding and control costs while appropriately managing liquidity risk, interest rate fluctuation risk, etc.

(5) Status of major subsidiaries

Company name	Share capital or investments in capital	Percentage of voting rights held	Principal business	Main location
		%		
JAPAN MEDICAL LEASE CORPORATION	¥100 million	100 (-)	Leasing and financial business	Shinagawa-ku, Tokyo
Mitsubishi HC Capital Estate Plus Inc.	¥251 million	100 (-)	Real estate rental business	Chiyoda-ku, Tokyo
Capital Insurance Corporation	¥6,200 million	79.36 (-)	Non-life insurance	Chiyoda-ku, Tokyo
Mitsubishi HC Business Lease Corporation	¥10,000 million	100 (-)	Leasing and financial business	Minato-ku, Tokyo
PT HCD Properti Indonesia	Rp 580,000 million	63.45 (63.45)	Real estate rental business	Indonesia
Mitsubishi HC Capital UK PLC	GBP 116,168 thousand	100 (-)	Leasing and financial business	UK
Mitsubishi HC Capital America, Inc.	US\$ 180,000 thousand	100 (-)	Leasing and financial business	U.S.
Mitsubishi HC Capital Canada, Inc.	CA\$ 97,000 thousand	100 (100)	Leasing and financial business	Canada
Mitsubishi HC Capital Canada Leasing, Inc.	CA\$ 10,126 thousand	100 (100)	Leasing and financial business	Canada
Mitsubishi HC Capital (Shanghai) Co., Ltd.	US\$ 55,000 thousand	100 (-)	Leasing business	China
Mitsubishi HC Capital Leasing (Beijing) Co., Ltd.	US\$ 170,000 thousand	100 (100)	Leasing and financial business	China
Mitsubishi HC Capital Factoring (Shanghai) Co., Ltd.	RMB 306,570 thousand	100 (100)	Factoring business	China
Mitsubishi HC Capital Management (China) Limited	HK\$ 2,285,516 thousand	100 (-)	Group fund raising business	Hong Kong
Mitsubishi HC Capital (Hong Kong) Limited	HK\$ 310,000 thousand	100 (100)	Leasing and financial business	Hong Kong
Mitsubishi HC Capital Asia Pacific Pte. Ltd.	SG\$ 126,400 thousand	100 (-)	Leasing and financial business	Singapore
Mitsubishi HC Capital (Thailand) Co., Ltd.	THB 1,100,000 thousand	100 (51)	Leasing and financial business	Thailand
PT. Mitsubishi HC Capital and Finance Indonesia	Rp 400,000 million	100 (15)	Leasing business	Indonesia
Mitsubishi HC Capital Energy Inc.	¥150 million	100 (-)	Energy-related asset management business	Chiyoda-ku, Tokyo
HSE Ltd.	¥50 million	85.1 (-)	Renewable energy generation business	Hitachi-shi, Ibaraki
JSA International Holdings, L.P.	US\$ 742,183 thousand	100 (-)	Aircraft leasing business	U.S.
Engine Lease Finance Corporation	US\$ 1 thousand	100 (100)	Aircraft engine leasing business	Ireland
CAI International, Inc.	US\$ 0 thousand	100 (100)	Container leasing business	U.S.
PNW Railcars, Inc.	US\$ 1 thousand	100 (100)	Freight car leasing business	U.S.
Mitsubishi HC Capital Realty Inc.	¥300 million	100 (-)	Real estate-related investment business	Chiyoda-ku, Tokyo
MHC America Holdings Corporation	US\$ 0 thousand	100 (-)	Group fund raising business	U.S.

(Notes) 1. As of October 1, 2023, Mitsubishi HC Capital Property Inc. and Mitsubishi HC Capital Community Corporation underwent an absorption-type merger, where Mitsubishi HC Capital Property Inc. is the surviving company and Mitsubishi HC Capital Community Corporation is the absorbed company, resulting in the company name changed to Mitsubishi HC Capital Estate Plus Inc.

2. Figures in parenthesis in “percentage of voting rights held” represent the percentage of voting rights indirectly held.

(6) Status of business combinations

In April 2023, CenterPoint Development Inc. became a subsidiary of the Company through the acquisition of all its shares.

In addition, due to the transfer of all shares of DFL Lease Company Limited and Shutoken Leasing Co., Ltd. in January 2024, the two companies have been removed as subsidiaries of the Company.

2. Matters concerning the Company's officers

(1) Names, etc. of Directors

Directors (excluding Directors who are Audit & Supervisory Committee Members)

Position	Name	Responsibility	Significant concurrent positions outside the Company
Director, Chairman	Takahiro Yanai		
Representative Director President & CEO	Taiju Hisai		
Director Deputy President	Kazumi Anei	Customer Solutions Unit	
Director Managing Executive Officer	Haruhiko Sato	Head of Corporate & Strategic Planning Division and Head of Treasury & Accounting Division	
Director (Outside Director)	Hiroyasu Nakata		
Director (Outside Director)	Yuri Sasaki		Professor of Faculty of Economics, Meiji Gakuin University Director, Meiji Yasuda Life Insurance Company
Director (Outside Director)	Takuya Kuga		Executive Vice President, Mitsubishi Corporation

Directors who are Audit & Supervisory Committee Members

<u>Position</u>	<u>Name</u>	<u>Responsibility</u>	<u>Significant concurrent positions outside the Company</u>
Director	Akira Hamamoto	Chair of Audit & Supervisory Committee Full-time Audit & Supervisory Committee Member	
Director (Outside Director)	Koichiro Hiraiwa		Representative Director, Dream Estate Tokyo Inc.
Director (Outside Director)	Hiroko Kaneko		Director (Audit & Supervisory Committee Member), Kanagawa Chuo Kotsu Co., Ltd. Outside Audit & Supervisory Board Member, Development Bank of Japan Inc. Audit & Supervisory Board Member, Shin-Etsu Chemical Co., Ltd.
Director (Outside Director)	Masayuki Saito		Advisor, DIC Corporation

(Notes)

1. Directors Hiroyasu Nakata, Yuri Sasaki, and Takuya Kuga, and Directors who are Audit & Supervisory Committee Members Koichiro Hiraiwa, Hiroko Kaneko and Masayuki Saito are Outside Directors.
2. Directors Hiroyasu Nakata and Yuri Sasaki, and Directors who are Audit & Supervisory Committee Members Koichiro

Hiraiwa, Hiroko Kaneko and Masayuki Saito have been reported to the Tokyo Stock Exchange and the Nagoya Stock Exchange as Independent Directors.

3. To ensure the effectiveness of audits, the Company has appointed Director who is an Audit & Supervisory Committee Member Akira Hamamoto to serve as a full-time Audit & Supervisory Committee Member.
4. Director who is an Audit & Supervisory Committee Member Hiroko Kaneko has been involved in accounting audits for many years as a Certified Public Accountant and possesses considerable knowledge of finance and accounting. Further, Directors who are Audit & Supervisory Committee Members Akira Hamamoto, Koichiro Hiraiwa and Masayuki Saito possess considerable knowledge of finance and accounting based on their wealth of management experience at a major financial institution in the case of Mr. Hamamoto, and listed companies in the case of Mr. Hiraiwa and Mr. Saito.
5. Representative Director and Deputy President Kanji Nishiura (responsibility: overall operation) passed away and retired his position on January 4, 2024. Significant concurrent positions held by him upon his retiring was Outside Director of Sumitomo Metal Mining Co., Ltd.

(2) Matters concerning remuneration, etc. of Directors

- 1) Policy for determining details, amount, and calculation method of officer remuneration, etc. and method of determination
 - a. Basic policy
 - (i) For the purpose of increasing corporate value through the execution of business strategies, the Company also considers officer incentive when determining officer remuneration.
 - (ii) The level of remuneration shall be appropriate for the roles and responsibilities of each officer, taking into consideration the level of the market, from the standpoints of increasing corporate value in the medium to long term and improving business performance in the short term.

In accordance with the above basic policy, the Board of Directors of the Company has resolved the policy on the details of remuneration, etc. of individual Directors (excluding Directors who are Audit & Supervisory Committee Members) as follows in b.

- b. Policy on the details of remuneration, etc. of individual Directors (excluding Directors who are Audit & Supervisory Committee Members)
 - (i) Remuneration system
 - In principle, remuneration, etc. for Executive Directors shall be comprised of basic remuneration, short-term incentive compensation (performance-based monetary compensation), and medium- to long-term incentive compensation (performance-based stock compensation). Short-term incentive compensation will be paid in cash as a bonus, and medium- to long-term incentive compensation will be paid as Company stocks using a trust framework.
 - For the purpose of maintaining a healthy ratio of performance-based compensation, the ratio between fixed remuneration (basic remuneration) and floating compensation (bonus and stock compensation) shall be around 1 to 0.6 (the ratio of basic remuneration to bonuses to stock compensation shall be around 1 to 0.3 to 0.3).
 - From the standpoint of ensuring the effectiveness of the supervisory function, remuneration for non-executive directors (excluding Directors who are Audit and Supervisory Committee members) does not include bonuses and stock compensation, which are incentive remuneration.

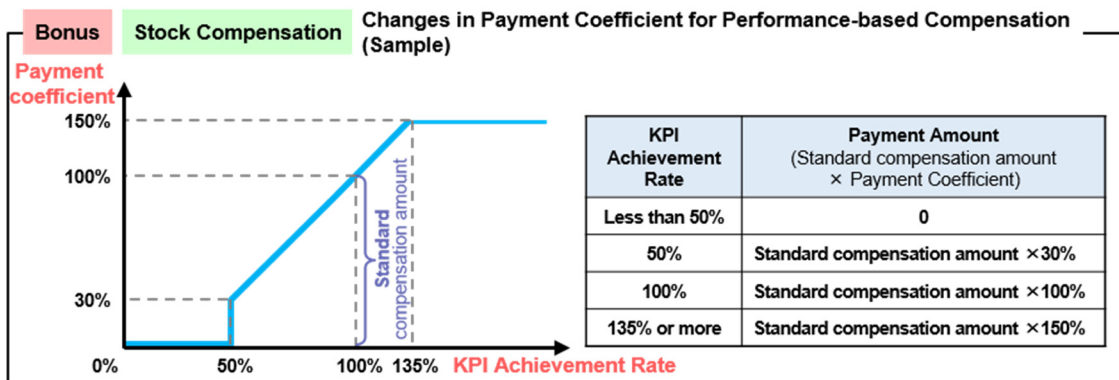
Remuneration System for Executive Officers

Type of Remuneration	Details of Remuneration	Remuneration Ratio	KPIs for Evaluation/ Evaluation Weight	Range of Payment Coefficient Based on KPI Achievement		
Fixed Basic Remuneration	■ Fixed remuneration according to position	62.5% 1	-	-		
Floating Bonus (Short-term Incentive) Performance-based	■ Amount determined based on the consolidated business performance of the previous year, etc. 1. KPIs for performance evaluation are set in line with MHC's numerical targets 2. Regarding responsible duties, quantitative and qualitative evaluations are conducted from the perspective of performance and the level of contribution	18.75% 0.3	Position KPI	Representative Director	Other	0-150%
			Net income attributable to owners of the parent ROA ^{*1} ROE ^{*2}	100%	70%	
Stock (Medium- to Long-term Incentive) Performance-based	■ Amount determined based on the level of achievement during the three-year period of the Medium-term Management Plan	18.75% 0.3	Net income attributable to owners of the parent ROA ^{*1} ROE ^{*2} TSR against TOPIX growth rate ^{*3}	100%	0-150%	

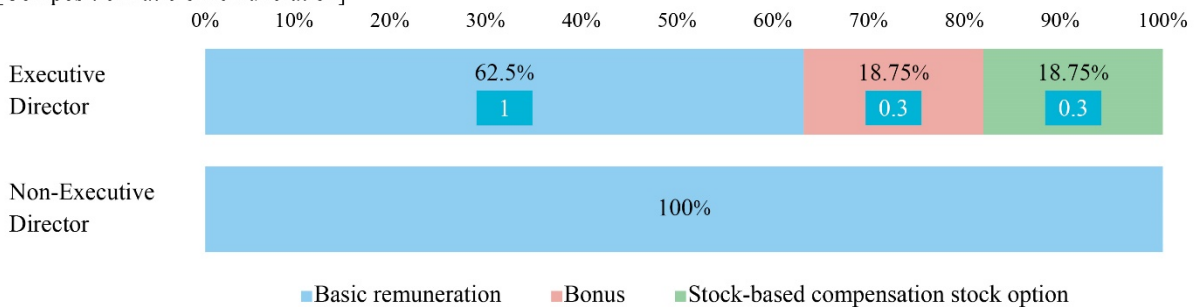
*1 Return On Asset

*2 Return On Equity

*3 Total Shareholder Return



[Composition ratio of remuneration]



- Fixed remuneration
The amount of fixed remuneration is determined based on the amount corresponding to the position and comprehensive consideration of the roles, responsibilities, and other factors of each Director.
- Floating compensation
From the standpoint of clarifying the relationship between performance and remuneration, for bonuses and stock compensation, the financial indicators, etc. emphasized in the management strategy as indicators representing the Company's growth are set as the KPI for evaluating performance (KPIs and evaluation ratios are shown above).

[Bonuses]

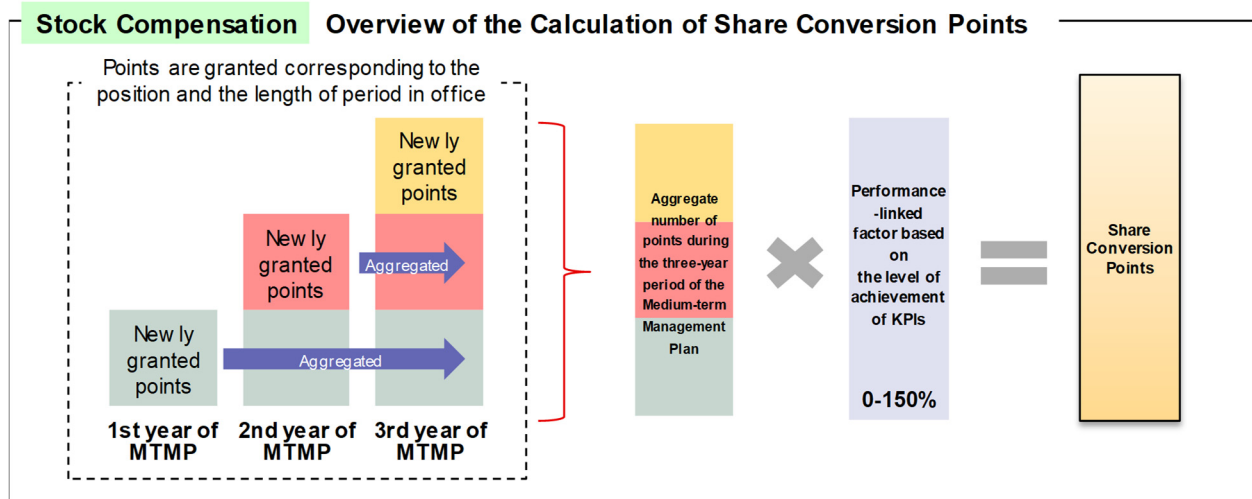
- The i) net income attributable to owners of the parent, ii) ROA, and iii) ROE, which have been set as the Group's numerical goals, are set as KPIs for the company-wide performance evaluation.
- In regard to bonuses for Representative Directors, the entire amount is linked to the company-wide performance evaluation, while the bonus for other Executive Directors is based 70% on the company-wide performance evaluation and 30% on the evaluation of duties for which each individual is responsible. For both positions, the amount of bonuses to be paid is determined within the range of 0 to 150% of the standard amount based on the achievement rate of KPIs.
- For respective operational responsibilities, a standard evaluation sheet is used by the President & CEO to perform quantitative and qualitative evaluations from the standpoint of performance and contribution of the Executive Director with respect to the operations for which they are responsible. The purpose of this is to improve the incentive of individual Directors by properly evaluating not only the degree of achievement of targets for business results but also the degree of contribution, which cannot be evaluated solely quantitatively.

[Stock compensation]

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

Share conversion points = The number of points granted corresponding to the position and the number of months in office of the relevant person (the aggregate number of points during

the three-year period of the Medium-term Management Plan) multiplied by the performance-linked factor based on the level of achievement of KPIs (ranging from 0 to 150%)



<Malus and claw-back clause for stock compensation and shareholding policy>

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

- Other compensation

If a Director (excluding Outside Directors and Directors who are Audit & Supervisory Committee Members) needs to live in an area far away from his or her home due to a transfer associated with a change in their responsibilities or assigned location, the Director is to be provided with an appropriate property as company housing (hereinafter, the difference between the total monthly rent required for the Company to rent the company housing and the total amount of monthly company housing rent collected from the Director is referred to as "non-monetary remuneration for the provision of company housing"). The company housing to be provided shall be a general standard property, and the maximum rent shall be established in advance based on position and geographical area. The company housing rent (if the maximum rent is exceeded, the full amount of the excess amount is added) shall be collected from the Director as their own expenses (there are currently no eligible officers).

(ii) Timing or conditions of remuneration, etc.

- Basic remuneration shall be paid in a fixed monthly amount on the designated day.
- Bonuses shall be paid in an amount determined based on the results of the previous fiscal year (April to next March) on or after the date of the Annual General Meeting of Shareholders in June of every year.
- As stock compensation, points are granted at the end of every fiscal year (the end of March) corresponding to the position and number of months in office of the relevant person. In principle, the aggregate number of the said points of three years is multiplied by the performance-linked factor to calculate share conversion points, based on which the Company's shares, etc. are provided in July of the fiscal year following the final fiscal year of the Medium-term Management Plan period (three years).
- Non-monetary remuneration for the provision of company housing shall be paid monthly in addition to basic remuneration.

Type of remuneration	Subject period	Payment timing
Basic remuneration	Every month	A predetermined date every month
Bonus	Previous fiscal year (April to next March)	After an annual General Meeting of Shareholders
Stock compensation	Medium-term Management Plan period (three years)	
(a) Points*	Every fiscal year	End of every fiscal year
(b) Company shares, etc.	Medium-term Management Plan period during which (a) was aggregated	July following the end of the Medium-term Management Plan
Non-monetary remuneration related to the provision of company housing	Every month	A predetermined date every month

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

- (iii) Method of determining remuneration, etc., outline of the Committee's procedures, and description of its activities
- The details of remuneration, etc. and the policy for determining remuneration, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Member) are resolved at meetings of the Board of Directors after deliberation by the Compensation Committee, which is comprised of a majority of Outside Directors. The Compensation Committee also deliberates annually on the appropriateness of the level and composition of remuneration based on remuneration data and other information provided by external professional organizations.
 - The members and chairperson of the Compensation Committee are selected by the Board of Directors, and the Committee adopts resolutions by a majority of the members present. In addition, the Company's rules stipulate that the Board of Directors shall respect the resolutions of the Committee.
 - The Company believes it is good for the specific amount of basic remuneration and bonuses for Directors (excluding Directors who are Audit & Supervisory Committee Members), as well as non-monetary remuneration for the provision of company housing, to be determined flexibly based on certain standards by someone who is familiar with individual operations and the Company's situation. The decision is thus entrusted to the President & CEO (Taiju Hisai), who is the Representative Director, within the upper limit set forth by resolution of the General Meeting of Shareholders, based on the policy resolved by the Board of Directors and Compensation Committee. We will take measures to ensure that the authority of the President & CEO is appropriately exercised as follows. Regarding stock compensation, Company shares, etc. corresponding to share conversion points calculated based on the regulations for share delivery, which were stipulated by the resolution of the Board of Directors, shall be provided.

[Measures to ensure that the delegated authority is properly exercised]

- Basic remuneration is determined based on certain pre-established standards (remuneration table) that are deliberated by the Compensation Committee.
- The following shall apply to the portion of the bonus linked to the company-wide performance:
 - ✓ KPIs are established according to numerical targets resolved at the Board of Directors.
 - ✓ The amount to be paid is determined according to the achievement rate of the KPI based on a predetermined payment coefficient deliberated by the Compensation Committee.
 - ✓ The results of the company-wide performance evaluation and the amount to be paid are subsequently reported to the Compensation Committee for verification. In addition, the following shall apply to the portion of the bonus linked to operational responsibilities:
 - ✓ After deliberations in advance by the Compensation Committee, an evaluation sheet (an evaluation sheet providing details on predetermined targets, weighting of individual targets, and evaluation criteria) is finalized.
 - ✓ After the individual duties are evaluated based on the evaluation sheet, the results

and amount to be paid are subsequently reported to the Compensation Committee for verification.

- For stock compensation, points corresponding to the position and number of months in office of the relevant person at the end of every fiscal year are granted based on the prescribed standards as per the regulations for share delivery, which are resolved by the Board of Directors. In principle, the performance-linked factor, which is determined upon the completion of the Medium-term Management Plan every three years shall also be as per the regulations for share delivery.
- In regard to non-monetary remuneration for provision of company housing, (a) the company housing to be provided shall be a general standard property, and the maximum rent shall be established in advance based on position and geographical area, while (b) the company housing rent calculated based on the predetermined percentage (if the maximum rent is exceeded, the full amount of the excess amount is added to the rent) shall be collected from the Directors as their own expenses.

- The amounts of remuneration, etc. for Directors have been resolved at the General Meeting of Shareholders as follows.

Type of Remuneration	Amount of Remuneration, etc.	Date of Resolution by the General Meeting of Shareholders	Number of Applicable Directors at the Time of the Resolution of the General Meeting of Shareholders Becoming Effective*	Number of Applicable Directors as of June 30, 2023
Directors (excluding Directors who are Audit & Supervisory Committee Members)				
Monetary remuneration (total of basic remuneration and bonus)	Annually ¥800 million	February 26, 2021	10	8
Outside Directors	Annually ¥100 million		3	3
Non-monetary remuneration related to the provision of company housing	Monthly ¥2 million		7 Excluding Directors who are Audit & Supervisory Committee Members	0
Stock compensation				
Trust contribution amount	Annually ¥800 million During subject period ¥2,400 million	June 27, 2023	4 Excluding non-executive directors and Directors not residing in Japan	4
Number of shares delivered	Annually 1,550 thousand shares During subject period 4,650 thousand shares			

* The number of Directors (excluding Directors who are Audit & Supervisory Committee Members) related to the amount of remuneration is not specified.

c. Matters concerning calculation of performance-based compensation

The amount of performance-based compensation is calculated using the designated formula based on the achievement rate of each KPI.

[Bonus]

- The KPIs for evaluating company-wide performance used for bonuses for Executive Directors are i) net income attributable to owners of the parent (weighted at 70%), ii) ROA (weighted at 15%), and iii) ROE (weighted at 15%).
- The targets and results for the fiscal year ended March 31, 2024 are as follows.

KPI	Target	Result	Achievement rate	Evaluation weight
Net income attributable to owners of the parent	¥120.0 billion	¥123.8 billion	103.2%	70%
ROA	1.1%	1.1%	100.0%	15%
ROE	7.8%	7.7%	98.7%	15%

- For the portion linked to operational responsibilities of Executive Directors other than the Representative Director, the President & CEO will use a standard evaluation sheet to perform quantitative and qualitative evaluations from the standpoint of performance and contribution. Performance targets are set based on the environment of the business in charge, the previous year's performance, and other factors according to the responsibilities of each Director, and evaluations are performed taking into account the respective performance and contribution.

[Stock compensation]

- The KPIs for stock compensation for executive directors are i) profit attributable to owners of parent (weighted at 60%), ii) ROA (weighted at 10%), iii) ROE (weighted at 10%), and iv) TSR against TOPIX growth rate (weighted at 20%).
- The targets for the period of the Medium-term Management Plan (FY2023 - FY2025) are as follows.

KPI	Target	Result	Achievement rate	Evaluation weight
Net income attributable to owners of the parent	¥160.0 billion	–	–	60%
ROA	Approx. 1.5%	–	–	10%
ROE	Approx. 10%	–	–	10%
TSR	TOPIX growth rate	–	–	20%

* Achievement rates for KPIs related to stock compensation are not listed as they will be confirmed after the end of the final fiscal year of the Medium-term Management Plan (FY2023 - FY2025).

- d. Reasons for the Board of Directors' determination that the content of individual remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members) for the fiscal year under review is appropriate
- The specific amount of basic remuneration and bonuses, as well as non-monetary remuneration for the provision of company housing are entrusted to the President & CEO within the upper limit set forth by resolution of the General Meeting of Shareholders. In addition, as the Company has taken measures as described in [Measures to ensure that the delegated authority is properly exercised] at b. (iii) above, there is a system for the Compensation Committee and the Audit & Supervisory Committee to confirm that individual remuneration, etc. for Directors is determined by procedures that are objective and transparent, and that the content is in line with the policy established by the Company. The Board of Directors has determined that the content of individual remuneration, etc. for each Director for the fiscal year under review is in line with the remuneration policy.

e. Details and method of determining remuneration, etc. of Directors (Audit & Supervisory Committee Members)

- For Directors (Audit & Supervisory Committee Members), from the standpoint of ensuring the fairness of audits, bonuses and stock-based compensation, which are incentive compensation, shall not be paid. Remuneration shall be limited to basic remuneration only.
- The amount of remuneration for Directors (Audit & Supervisory Committee Members) is to be determined through discussion by Directors who are Audit & Supervisory Committee Members within the range decided with the resolution of the General Meeting of Shareholders (the table below).

Type of Remuneration	Amount of Remuneration	Date of Resolution by the General Meeting of Shareholders	Number of Applicable Directors at the Time of the Resolution of the General Meeting of Shareholders Becoming Effective*	Number of Applicable Directors as of June 30, 2023
Directors (Audit & Supervisory Committee Members)				
Monetary remuneration (basic remuneration)	Annually ¥200 million	February 26, 2021	5	4

* The number of Directors (Audit & Supervisory Committee Members) related to the amount of remuneration is not specified.

2) Total amount of remuneration, etc. by officer category, total amount of remuneration, etc. by type, and number of eligible officers

Category	Total amount of remuneration, etc. (millions of yen)	Total amount of remuneration, etc. by type (millions of yen)				Number of people
		Fixed remuneration (basic remuneration)	Performance-based compensation (bonus)	Performance-based compensation (stock compensation)	Other	
Directors (excluding Audit & Supervisory Committee Members)	466	342	55	68	—	10
Of these, Outside Directors	43	43	—	—	—	4
Directors (Audit & Supervisory Committee Members)	96	96	—	—	—	4
Of these, Outside Audit & Supervisory Board Members	47	47	—	—	—	3
Total	563	439	55	68	—	14

(Notes) 1. The amount of performance-based compensation (bonus) is the amount of reversal of provision for bonuses for directors (and other officers) for the fiscal year under review.

2. The total amount for performance-based compensation (stock compensation) is the amount of expenses posted for points awarded during the fiscal year under review.

3. There were no payments of non-monetary compensation related to the provision of company housing during the fiscal year under review.

4. The table above does not include remuneration, etc. paid to one Director who resigned due to his passing on January 4, 2024.

3. Policy on determining dividends of surplus, etc.

The Company has pursued its basic policy of providing returns to shareholders through dividends and we have increased dividends for 25 consecutive fiscal years.

The medium-term target level for the dividend payout ratio is 40% or more in the three-year period from FY2023 (fiscal year ending March 31, 2024), which is the target period of the 2025 MTMP, and the Company plans to increase the total amount of dividends through profit growth.

Consolidated Balance Sheet
(As of March 31, 2024)

(Millions of yen)

Assets		Liabilities	
Accounting title	Amount	Accounting title	Amount
Current assets		Current liabilities	
Cash and deposits	366,478	Notes and accounts payable - trade	171,616
Installment receivables	172,368	Short-term borrowings	471,060
Lease receivables and investments in leases	3,153,989	Current portion of bonds payable	563,684
Operating loans receivables	1,850,117	Current portion of long-term borrowings	1,012,618
Other operating loans receivable	211,228	Commercial papers	784,178
Lease and other receivables	80,030	Current maturities of loans from the securitizations of the minimum future rentals on lease contracts	224,330
Securities	2,565	Lease obligations	17,852
Merchandise	38,240	Income taxes payable	13,083
Other current assets	194,181	Deferred profit on installment sales	7,016
Allowance for doubtful accounts	(28,373)	Provision for bonuses	17,420
Total current assets	6,040,826	Provision for bonuses for directors (and other officers)	2,091
Non-current assets		Other current liabilities	261,017
Property, plant and equipment		Total current liabilities	3,545,972
Leased assets		Non-current liabilities	
Leased assets	3,891,057	Bonds payable	1,606,588
Advances on purchases of leased assets	119,139	Long-term borrowings	3,435,702
Total leased assets	4,010,196	Loans from the securitizations of the minimum future rentals on lease contracts, less current maturities	341,628
Other operating assets	207,957	Lease obligations	37,427
Own-used assets	18,561	Deferred tax liabilities	159,118
Total property, plant and equipment	4,236,715	Provision for retirement benefits for directors (and other officers)	69
Intangible assets		Provision for share awards for directors (and other officers)	516
Leased assets		Retirement benefit liability	6,049
Leased assets	12,989	Asset retirement obligations	39,481
Total leased assets	12,989	Reserve for contract of insurance	12,818
Other intangible assets		Other non-current liabilities	259,139
Goodwill	102,091	Total non-current liabilities	5,898,539
Other	132,748	Total liabilities	9,444,512
Total other intangible assets	234,839	Equity	
Total intangible assets	247,829	Shareholders' equity	
Investments and other assets		Share capital	33,196
Investment securities	427,529	Capital surplus	546,268
Distressed receivables	122,035	Retained earnings	775,152
Deferred tax assets	26,148	Treasury shares	(20,894)
Other investments and other assets	111,932	Total shareholders' equity	1,333,722
Allowance for doubtful accounts	(66,983)	Accumulated other comprehensive income	
Total investments and other assets	620,661	Valuation difference on available-for-sale securities	14,987
Total non-current assets	5,105,206	Deferred gains or losses on hedges	36,817
Deferred assets		Foreign currency translation adjustment	292,477
Bond issuance costs	3,825	Remeasurements of defined benefit plans	7,262
Total deferred assets	3,825	Total accumulated other comprehensive income	351,544
		Share acquisition rights	1,866
		Non-controlling interests	18,211
		Total equity	1,705,345
Total assets	11,149,858	Total liabilities and equity	11,149,858

Consolidated Statement of Income
(April 1, 2023 to March 31, 2024)

(Millions of yen)

Accounting title	Amount	
Revenues		1,950,583
Cost of revenues		1,570,487
Gross profit		380,095
Selling, general and administrative expenses		233,919
Operating income		146,176
Non-operating income		
Interest and dividend income	6,323	
Share of profit of entities accounted for using equity method	9,278	
Other non-operating income	7,858	23,460
Non-operating expenses		
Interest expenses	11,061	
Other non-operating expenses	6,941	18,003
Recurring income		151,633
Extraordinary income		
Gain on sale of investment securities	7,243	
Gain on sale of shares of subsidiaries and associates	5,306	
Gain on step acquisitions	4,822	17,372
Extraordinary losses		
Loss on sale of investment securities	296	
Loss on sale of shares of subsidiaries and associates	1,032	1,329
Income before income taxes		167,676
Income taxes - current	27,215	
Income taxes - deferred	15,797	43,013
Net income		124,663
Net income attributable to non-controlling interests		820
Net income attributable to owners of the parent		123,842

Non-consolidated Balance Sheet
(As of March 31, 2024)

(Millions of yen)

Assets		Liabilities	
Accounting title	Amount	Accounting title	Amount
Current assets		Current liabilities	
Cash and deposits	153,938	Notes payable - trade	3,905
Installment receivables	145,774	Accounts payable - trade	101,293
Lease receivables	275,366	Short-term borrowings	191,512
Investments in leases	1,247,526	Current portion of bonds payable	217,000
Operating loans receivables	276,349	Current portion of long-term borrowings	344,998
Loans receivable from subsidiaries and associates	1,158,054	Commercial papers	625,800
Other operating loans receivable	48,738	Current maturities of loans from the securitizations of the minimum future rentals on lease contracts	37,653
Lease and other receivables	12,941	Lease obligations	14,326
Securities	763	Accounts payable - other	2,980
Merchandise	1,022	Income taxes payable	569
Advance payments to suppliers	11,478	Accrued expenses	23,125
Prepaid expenses	3,862	Advances received - lease	30,974
Other current assets	29,972	Deposits received	10,135
Allowance for doubtful accounts	(6,342)	Unearned revenue	2
Total current assets	3,359,447	Deferred profit on installment sales	6,060
Non-current assets		Provision for bonuses	3,941
Property, plant and equipment		Provision for bonuses for directors (and other officers)	354
Leased assets		Asset retirement obligations	2,854
Leased assets	159,057	Other current liabilities	6,086
Advances on purchases of leased assets	116	Total current liabilities	1,623,575
Total leased assets	159,174	Non-current liabilities	
Own-used assets		Bonds payable	915,067
Buildings	684	Long-term borrowings	1,457,266
Structures	26	Loans from the securitizations of the minimum future rentals on lease contracts, less current maturities	22,148
Equipment	984	Lease obligations	26,667
Land	678	Long-term guarantee deposits received	48,275
Total own-used assets	2,373	Provision for share awards for directors (and other officers)	516
Total property, plant and equipment	161,548	Provision for retirement benefits	3,108
Intangible assets		Asset retirement obligations	14,831
Leased assets		Other non-current liabilities	1,005
Leased assets	12,557	Total non-current liabilities	2,488,887
Total leased assets	12,557	Total liabilities	4,112,462
Other intangible assets		Equity	
Goodwill	6,352	Shareholders' equity	
Other	7,564	Share capital	33,196
Total other intangible assets	13,917	Capital surplus	
Total intangible assets	26,474	Legal capital surplus	33,802
Investments and other assets		Other capital surplus	508,998
Investment securities	121,676	Total capital surplus	542,801
Shares of subsidiaries and associates	985,335	Retained earnings	
Bonds of subsidiaries and associates	8,687	Legal retained earnings	638
Investments in other securities of subsidiaries and associates	222,207	Other retained earnings	420,201
Investments in capital	1,900	General reserve	72,035
Distressed receivables	4,890	Retained earnings brought forward	348,166
Long-term prepaid expenses	11,318	Total retained earnings	420,840
Long-term guarantee deposits	13,036	Treasury shares	(20,894)
Prepaid pension costs	755	Total shareholders' equity	975,943
Deferred tax assets	38,505	Valuation and translation adjustments	
Other investments and other assets	7,440	Valuation difference on available-for-sale securities	9,557
Allowance for doubtful accounts	(2,132)	Deferred gains or losses on hedges	(136,258)
Total investments and other assets	1,413,621	Total valuation and translation adjustments	(126,701)
Total non-current assets	1,601,643	Share acquisition rights	1,866
Deferred assets		Total equity	851,108
Bond issuance costs	2,479	Total liabilities and equity	4,963,571
Total deferred assets	2,479		
Total assets	4,963,571		

Non-consolidated Statement of Income
(April 1, 2023 to March 31, 2024)

(Millions of yen)

Accounting title	Amount	
Revenues		
Lease sales	637,210	
Installment sales	61,545	
Revenue - operating loans	27,887	
Other revenues	29,063	755,707
Cost of revenues		
Lease costs	576,124	
Installment costs	58,143	
Capital costs	21,177	
Other cost of sales	8,609	664,054
Gross profit		91,652
Selling, general and administrative expenses		62,346
Operating income		29,305
Non-operating income		
Interest and dividend income	67,291	
Other non-operating income	9,773	77,065
Non-operating expenses		
Interest expenses	30,490	
Other non-operating expenses	2,586	33,077
Recurring income		73,293
Extraordinary income		
Gain on sale of investment securities	5,196	
Gain on sale of shares of subsidiaries and associates	6,867	
Gain on sale of investments in other securities of subsidiaries and associates	2,281	
Gain on liquidation of subsidiaries and associates	4,235	18,580
Extraordinary losses		
Loss on sale of investment securities	195	
Loss on extinguishment of tie-in shares	4,763	4,958
Income before income taxes		86,915
Income taxes - current	3,343	
Income taxes - deferred	774	4,117
Net income		82,798