Corporate Governance Report

Last Update: June 30, 2026

Mitsubishi HC Capital Inc.

President & CEO Taiju Hisai

Securities Code: 8593

https://www.mitsubishi-hc-capital.com/english/

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

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

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

1. Basic Views

While emphasizing initiatives to achieve sustainable corporate growth and enhance its corporate value over the medium to long term, MHC aspires to contribute to a more prosperous society by respecting the rights and interests of all of its stakeholders—shareholders, customers, local communities, and employees—and living up to their trust in the Company, based on the views presented below. With the recognition that it is one of its social responsibilities to ensure transparent and sound management, MHC continues to work on initiatives to enhance corporate governance by boosting the activity of the Board of Directors, reinforcing the Audit & Supervisory Committee and the internal audit system, ensuring timely and appropriate disclosures of information, and actively engaging in investor relations (IR) and other activities.

(1) Fostering Sound Corporate Culture

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

(2) Ensuring Appropriate Information Disclosure and Transparency

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

(3) Ensuring the Rights and Equal Treatment of Shareholders

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

(4) Constructive Dialogue with Shareholders

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

(5) Ensuring Effectiveness of the Board of Directors

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

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

MHC regards the appropriate development and operation of the corporate governance framework as one of the most important challenges of its management and has fulfilled all the principles of the Corporate Governance Code. The links to information on the principles stipulated in the Corporate Governance Code are stated in the [List of Disclosures Based on the Corporate Governance Code] (page 57).

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

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

For [Status of Dialogues with Shareholders, etc.], please refer to V-1. “Policies for the Establishment of Systems and Efforts for Promoting Constructive Dialogue with Stakeholders (Principle 5.1)” (page 53).

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

Details	Details of initiatives are posted on our website
English Disclosure	Yes
Last Updated on	June 30, 2026

Supplementary Explanation

MHC, as its corporate mission, aims to achieve sustainable growth and enhance its corporate value over the medium to long term.

Toward realizing that goal, we place importance on how we should enhance our PBR, an indicator used to measure our corporate value, from the two perspectives of ROE and PER. We consider it particularly important to raise ROE, an indicator that we can actively control, and in the Medium-term Management Plan for FY2026-2028 (hereinafter “2028 MTMP”) launched in FY2026, we have clearly reiterated that ROE is our top priority KPI. In particular, we will realize the improvement of ROA, which is the key driver of ROE enhancement, by focusing on broadening the methods and domains of value creation through the advancement of the *evolution and layering of business models 2.0* and accelerating the restructuring of the business portfolio. Moreover, we will work on optimizing financial leverage through capital allocation that simultaneously boosts growth investments and shareholder returns, while ensuring financial soundness. We understand that our cost of equity is currently approximately 10%, and through dialogue with investors, we confirmed that their understanding of our cost of equity is mostly in line with our own. We first aim to achieve an ROE of 10.0%—the same level as our Group’s cost of equity—in the 2028 MTMP period and will then look to exceed this level by FY2031. With a view to further enhancing corporate value, we are currently targeting an ROE of around 12% over the medium to long term.

Regarding PER, we will continue to develop new business domains and build future revenue pillars, transform our corporate culture and HR systems, advance sustainability management and deepen dialogue with the market, and further strengthen governance in line with changes in business models, aiming to foster growth expectations and reduce the cost of equity.

The 2028 MTMP represents a critical milestone toward achieving sustainable growth and enhancing our corporate value over the medium to long term, and the execution of each strategy and the achievement of each target are linked with the enhancement of our corporate value. From this perspective, we believe it to be extremely important to engage in dialogue with our stakeholders by presenting our approach to enhancing our corporate value, while also communicating our current

status, what we are trying to do based on that status, and our future direction taking into account the specific initiatives and achievements under the 2028 MTMP.

Details are disclosed on our website. Please refer to the Medium-term Management Plan for FY2026-FY2028 (hereinafter "2028 MTMP").
https://contents.xj-storage.jp/xcontents/AS03685/870b13ab/5788/4839/a90c/b6e99066d484/20260417120528015s.pdf

2. Capital Structure

Foreign Shareholding Ratio	From 10% to less than 20%

[Status of Major Shareholders]

(As of March 31, 2026)

Name / Company Name	Number of Shares Owned (Shares)	Percentage (%)
Mitsubishi Corporation	264,044,396	18.35
Mitsubishi UFJ Financial Group, Inc.	208,345,981	14.48
The Master Trust Bank of Japan, Ltd. (Trust account)	135,023,700	9.38
Custody Bank of Japan, Ltd. (Trust account)	61,603,100	4.28
MUFG Bank, Ltd.	50,348,620	3.50
Mitsubishi UFJ Trust and Banking Corporation	28,431,000	1.97
Meiji Yasuda Life Insurance Company	27,990,390	1.94
STATE STREET BANK AND TRUST COMPANY 505001	12,291,487	0.85
JP MORGAN CHASE BANK 385781	12,117,066	0.84
STATE STREET BANK AND TRUST COMPANY 505103	11,568,873	0.80

Note: Treasury shares are excluded.

Controlling Shareholders (Excluding Parent Company)	-
Parent Company	-

Supplementary Explanation

3. Corporate Attributes

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

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

MHC has no controlling shareholders.

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

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

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

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

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

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

As of June 30, 2026, one Outside Director of MHC is concurrently serving as Executive Vice President of Mitsubishi Corporation. We expect to utilize this Director’s management experience and extensive knowledge of overall Japanese and international businesses for the Company’s management and effectively utilize advice from them, having served as a chief of business areas of collaboration between Mitsubishi Corporation and the Company. We deem that this will lead to the improvement of the Company’s corporate value and contribute to the enhancement of the interests of all shareholders, including minority shareholders.

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

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

II Business Management Organization and Other Corporate Governance Systems regarding Decision-Making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Committee

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	22
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board of Directors	Chairman (not concurrently serving as President & CEO)
Number of Directors	12
Appointment of Outside Directors	Appointed
Number of Outside Directors	6
Number of Outside Directors Designated as Independent Directors	5

Outside Directors' relationships with MHC are as follows.

Outside Directors' Relationships with MHC (1)

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

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

* **"○" when the Director presently falls or has recently fallen under the category**
"△" when the Director fell under the category in the past

* **"●" when a close relative of the Director presently falls or has recently fallen under the category**
"▲" when a close relative of the Director fell under the category in the past

a. An executive of a listed company or its subsidiary

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

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

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

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

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

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

h. An executive of a business partner of a listed company (who does not fall under any of d, e, or f) (applies to the director themselves only)

i. An executive of a company to which outside officers are mutually appointed (the director themselves only)

j. An executive of a company or organization that receives a donation from a listed company (the director themselves only)

k. Other

Outside Directors' Relationships with MHC (2)

Name	Audit & Supervisory Committee Member	Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Hiroyasu Nakata		○	-	As a legal specialist who has served as a lawyer and a university professor, Mr. Nakata possesses advanced knowledge of the law. He also has experience in the investigation and deliberation of key issues related to legal affairs, having served as an Expert Committee Member of the Legislative Council of the Ministry of Justice. We have determined that, by leveraging the above knowledge and experience, he is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as an independent Outside Director. We have therefore appointed him Director. We expect him to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective, independent of executive management responsible for business execution, as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee. (Reasons for designation as an independent Director) MHC has determined that Mr. Nakata fulfills the independence criteria and has no risk of conflicts of interest with general shareholders as a result of comprehensively taking into consideration his current status, past career, and other factors. MHC has therefore designated him as an independent Director.

Junko Takata		○	Ms. Takata previously served as an Executive Officer of Hitachi Transport System, Ltd. (currently LOGISTEED, Ltd.). However, the transaction amount for FY2025 between LOGISTEED, Ltd. and MHC was less than 1% of the consolidated revenues of each company. Therefore, such relationship would not affect her independence.	As a Senior Director of DHL Japan Co., Ltd., Ms. Takata oversaw all marketing and public relations operations. Subsequently, as an Executive Officer of Hitachi Transport System, Ltd., she managed the company's overseas operations while also serving concurrently as a non-executive director at various domestic and international group companies, thereby gaining extensive experience in business development and management oversight both in Japan and abroad. We have determined that, by leveraging the above experience and knowledge gained from that experience, she is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as an independent Outside Director. We have therefore appointed her Director. We expect her to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective, independent of executive management responsible for business execution, as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee. (Reasons for designation as an independent Director) MHC has determined that Ms. Takata fulfills the independence criteria and has no risk of conflicts of interest with general shareholders as a result of comprehensively taking into consideration her current status, past career, and other factors. MHC has therefore designated her as an independent Director.
Shota Kondo			Mr. Kondo is currently the Executive Vice President of Mitsubishi Corporation, which is MHC's major shareholder. There is a transactional relationship, including lease contracts, between Mitsubishi Corporation and MHC.	At Mitsubishi Corporation, Mr. Kondo has held various positions including Head of the CEO Office of the Natural Gas Group and General Manager of the Corporate Strategy & Planning Department, with experience including an assignment in the US. He concurrently serves as CEO of the Smart-Life Creation (S.L.C.) Group. As he is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from a practical perspective as an Outside Director by leveraging his management experience at Mitsubishi Corporation and his insight into domestic and international business, we have appointed him Director. Based on the above, we expect him to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.

Hiroko Kaneko	○	○	-	Ms. Kaneko possesses advanced knowledge of accounting, auditing, etc. gained through her experience as a university professor researching accounting, auditing, disclosure, etc. and as an accounting practitioner. She also has engaged in the development and improvement of systems for accounting, auditing, and internal control, and other initiatives as a member of the Business Accounting Council of the Financial Services Agency. Furthermore, she has experience supervising the operation and management of organizations, such as serving as a partner of major audit corporations and an outside director or outside auditor of listed companies. As she is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors, and neutral and objective auditing as an independent Outside Director by leveraging the above knowledge and experience, we have appointed her Director, Audit & Supervisory Committee Member. We expect her to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective, independent of executive management responsible for business execution, as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee. (Reasons for designation as an independent Director) MHC has determined that Ms. Kaneko fulfills the independence criteria and has no risk of conflicts of interest with general shareholders as a result of comprehensively taking into consideration her current status, past career, and other factors. MHC has therefore designated her as an independent Director.
Masayuki Saito	○	○	Previously, Mr. Saito was the Representative Director & Executive Vice President of DIC Corporation. However, the transaction amount for FY2025 between DIC Corporation and MHC was less than 1% of the consolidated revenues of each company.	Mr. Saito served as General Manager of the Corporate Strategy & Planning Department, the president of a subsidiary covering the Asia region, and General Manager of the Finance Department, and assisted the President and CEO as Representative Director and Executive Vice President at DIC Corporation. He also has experience supervising the overall management of the DIC Group as Director and Chairman. As he is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors, and neutral and objective auditing as an independent Outside Director by leveraging the above knowledge and experience, we have appointed him Director, Audit & Supervisory Committee Member. We expect him to contribute to appropriate decision-making and supervision of overall management by the Board of Directors, and neutral and objective auditing from an objective perspective, independent of executive management responsible for business execution, as well as to the improvement of the soundness, transparency, and fairness of the

				Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee. (Reasons for designation as an independent Director) MHC has determined that Mr. Saito fulfills the independence criteria and has no risk of conflicts of interest with general shareholders as a result of comprehensively taking into consideration his current status, past career, and other factors. MHC has therefore designated him as an independent Director.
Kayoko Kawamura	○	○	Ms. Kawamura was previously an Executive Officer of Teradata Japan, Ltd. However, there is no significant trade or other relationship between MHC and Teradata Japan, Ltd. She is currently a Director of Rakuten Bank, Ltd. However, there is no significant trade or other relationship between MHC and Rakuten Bank, Ltd.	Ms. Kawamura has experience and knowledge in digital transformation (DX), having held positions such as Systems Engineer and Head of Application Development for Financial Institutions at IBM Japan, Ltd., and was an Executive Officer at Teradata Japan, Ltd., where she was primarily responsible for supporting DX initiatives for client companies. We expect her to leverage the abovementioned experience and knowledge to contribute to appropriate decision-making and supervision of overall management by the Board of Directors, and neutral and objective auditing as an independent Outside Director. We have therefore appointed her Director, Audit & Supervisory Committee Member. We expect her to contribute to appropriate decision-making and supervision of overall management by the Board of Directors, and neutral and objective auditing from an objective perspective, independent of executive management responsible for business execution, as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee. (Reasons for designation as an independent Director) MHC has determined that Ms. Kawamura fulfills the independence criteria and has no risk of conflicts of interest with general shareholders as a result of comprehensively taking into consideration her current status, past career, and other factors. MHC has therefore designated her as an independent Director.

[Audit & Supervisory Committee]

Composition of Audit & Supervisory Committee and Attributes of the Chairperson

	All Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit & Supervisory Committee	4	1	1	3	Inside Director

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

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

The majority of MHC's Audit & Supervisory Committee Members are independent Outside Directors.

The Audit & Supervisory Committee Office was established to support the activities of the Audit & Supervisory Committee, and dedicated employees with appropriate knowledge, capabilities, and experience have been assigned.

To ensure the effectiveness of instructions given by the Audit & Supervisory Committee to such employees, they are not subject to instructions from business execution divisions. The consent of the Audit & Supervisory Committee is necessary for personnel transfers of such employees or disciplinary action against such employees. With respect to the decisions of personnel evaluations or compensation, etc. relating to such employees, it is necessary to obtain the consent of the Audit & Supervisory Committee Members who have been selected by the Audit & Supervisory Committee.

Cooperation among the Audit & Supervisory Committee, Accounting Auditor, and Internal Audit Department

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

<Collaboration between the Audit & Supervisory Committee and the Internal Audit Department>

The Audit & Supervisory Committee receives reports from the Internal Audit Department on the annual audit plan, audit status, audit results, and overall summaries, and provides instructions as necessary. It also discusses matters such as risk awareness and priority audit items and conducts audits in collaboration with the department. In principle, the Internal Audit Department attends meetings of the Audit & Supervisory Committee, thereby ensuring close coordination.

In addition to regular information sharing and exchange of opinions between the Audit & Supervisory Committee Members designated by the committee and the Internal Audit Department, the following initiatives were carried out in FY2025.

① The Internal Audit Department participated in meetings between the Audit & Supervisory Committee Members designated by the Committee and full-time auditors of domestic Group companies

② The Internal Audit Department participated in consultative meetings held by the Audit & Supervisory Committee Office with auditors of domestic Group companies.

③ The Audit & Supervisory Committee Members designated by the Audit & Supervisory Committee, and the Audit & Supervisory Committee Office participated in the Global Audit Conference held by the Internal Audit Department.

④ The Audit & Supervisory Committee Office participated in internal audit review meetings held by the Internal Audit Department.

<Collaboration between the Audit & Supervisory Committee and Accounting Auditor>

The Audit & Supervisory Committee Members designated by the committee, in principle, receive the following reports from the Accounting Auditor at regular monthly meetings. The Accounting Auditor also attends meetings of the Audit & Supervisory Committee as necessary to provide reports and participate in discussions, thereby maintaining close coordination. In addition, in FY2025, further efforts were made to enhance coordination, including exchanging opinions between the accounting auditors of overseas Group companies and the Audit & Supervisory Committee.

① Audit plans

② Progress and results of audits

③ Status of priority audit areas

④ Status of internal control concerning financial reports

⑤ Selection of candidates for key audit matters (KAMs)

⑥ Accounting Auditor quality management system

⑦ Status of monitoring to ensure independence

<Collaboration between the Internal Audit Department and Accounting Auditor>

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

[Voluntary Establishment of Committees]

Voluntary Establishment of Committees Equivalent to a Nomination Committee and a Compensation Committee	Established

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

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

Supplementary Explanation

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

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

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

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

Furthermore, MHC has established the Governance Committee, which serves as an advisory body to the Board of Directors, in order to extensively exchange opinions on the improvement of effectiveness of the Board of Directors and other matters related to the Board of Directors, etc. The committee is working to increase the soundness, transparency, and fairness of MHC's management.

For the status of each committee's activities, please refer to [Status of Activities of the Board of Directors, Audit & Supervisory Committee, and Other Committees (Frequency of Meetings, Specific Discussion Items, Attendance of Directors and Committee Members, etc.)] (page 35).

[Independent Directors]

Number of Independent Directors	5

Other Matters Relating to Independent Directors

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

■ Outside Directors' Independence Judgment Criteria

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

(1) A major shareholder (i.e., a shareholder holding 10% or more of the total voting rights) of MHC or an executive thereof[1]

(2) An executive of a lender of MHC that exceeds MHC's standard[2]

(3) An executive of a business partner of MHC that exceeds MHC's standard[3]

(4) A consultant, attorney-at-law, certified public accountant, or other person who provides professional services and who receives more than ¥10 million per fiscal year in monetary or other assets from MHC, excluding officers' compensation

(5) A representative partner or partner of MHC's Accounting Auditor

(6) A person who belongs to an association that receives donations from MHC exceeding a certain amount[4]

1. An executive refers to an executive director, executive officer, or other employee.
2. A lender that exceeds MHC's standard refers to a lender from whom the amount MHC has borrowed exceeds 2% of the consolidated total assets of MHC.
3. A business partner that exceeds MHC's standard refers to a business partner whose dealings with MHC have a value exceeding 2% of the consolidated revenues of MHC or of the relevant business partner.
4. Donations exceeding a certain amount refers to donations exceeding ¥10 million per fiscal year.

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

[Incentives]

Implementation of Incentive Policies for Directors	Performance-based compensation plan

Supplementary Explanation

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

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

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

Persons Eligible for Stock Options	-

Supplementary Explanation

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[Compensation of Directors]

Status of Disclosure (of Individual Directors' Compensation)	Individual compensation is partially disclosed.

Note: Only Directors whose compensation, etc. is ¥100 million or more in total are described here.

Supplementary Explanation

(1) Total Amount of Compensation, etc. for Each Officer Category, Total Amount of Compensation, etc. by Compensation Type, and the Number of Relevant Officers (FY2025)

① Directors who are not Audit & Supervisory Committee Members (excluding Outside Directors): ¥454 million in total / 5 Directors

(Breakdown) Base remuneration: ¥305 million
Bonus: ¥69 million
Stock compensation: ¥79 million

② Directors who are Audit & Supervisory Committee Members (excluding Outside Directors): 49 million yen in total (base remuneration only) / 1 Director

③ Outside Directors: ¥91 million in total (base remuneration only) / 6 Directors

(2) Total Amount of Compensation, etc. by Officer (FY2025)

① Taiju Hisai (Representative Director, President & CEO) Total amount of compensation, etc.: ¥130 million

(Breakdown) Base remuneration: ¥75 million
Bonus: ¥25 million
Stock compensation: ¥30 million

Notes 1. The amount of bonus is the sum of the following two items:

a) The difference between the amount of bonus actually paid in FY2025 and the amount of provision for officer's bonuses in FY2024

b) The amount of provision for officers' bonuses in FY2025

2. The amount of stock compensation is the amount recognized at the end of FY2025.

Policy on Determining Compensation Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

(1) Basic Policy

- MHC officers' compensation is designed to enhance corporate value over the medium to long term through the execution of business strategies, and is set at an appropriate level with respect to the roles and responsibilities of each officer by also taking market levels into consideration
- Also taking into account incentives for officers, the ratio of fixed remuneration to variable compensation, key performance indicators (KPIs), and their respective weightings are appropriately determined.

(2) Compensation System for Directors

- In principle, Executive Directors' compensation, etc., consists of base remuneration, short-term incentive compensation (performance-based monetary compensation), and medium-to long-term incentive compensation (performance-based stock compensation). As short-term incentive compensation, cash is paid as a bonus, while medium-to long-term incentive compensation is paid in MHC's shares, etc. using a trust framework.
- To serve as an incentive to enhance corporate value over the medium to long term and business performance over the short term, the ratio of fixed remuneration (base remuneration) to variable compensation (bonus and stock

compensation) is set at approximately 1:1 (the ratio of base remuneration to bonus to stock compensation is set at approximately 1:0.5:0.5).

- Bonuses and stock compensation, which represent incentive compensation, are not paid to non-executive Directors (excluding persons who are Audit & Supervisory Committee Members) from the standpoint of ensuring the effectiveness of their supervisory functions, and to Directors who are Audit & Supervisory Committee Members from the standpoint of ensuring the fairness of audits.

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

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

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

[Status of Retired Presidents & CEOs, etc.]

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

Currently, there are no relevant persons at MHC.

Name	Title	Work Performed	Conditions (Full-time/Part-time, Compensation, etc.)	Date of Retirement as CEO, etc.	Term of Office
-	-	-	-	-	-

Total Number of Advisors or Senior Advisors Who Are Former Presidents & CEOs, etc.	0

Other Items

- Former Chairmen and Presidents & CEOs of MHC may be appointed as Senior Advisors for purposes of engaging in external activities, such as activities in the financial world and activities to contribute to society. Currently, there is no Senior Advisor at MHC.
- Senior Advisors are appointed at the Nomination Committee, and their contract periods are renewed annually as necessary based on the deliberation of the status of the activities of each Senior Advisor along with the amount of their compensation. However, the maximum term of office is three years. Senior Advisors are not involved in decision making at the management level, and MHC management does not engage in regular reporting, etc. to Senior Advisors.

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

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

In order to further enhance its corporate governance, MHC has also established a Nomination Committee and a Compensation Committee to serve as advisory bodies to designate the President & CEO and determine the compensation,

etc. of Directors. Further, MHC has established a Governance Committee, which consists of Outside Directors, Representative Directors, etc., to serve as an advisory body to the Board of Directors regarding the improvement of the effectiveness of the Board of Directors, etc.

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

For an overview of each of these bodies and the status of their activities, etc., please refer to II-3. “Overview of Each Organization, Status of Activities, etc.” (page 32) in [Efforts on Each Principle of the Corporate Governance Code].

3. Reasons for Adoption of Current Corporate Governance System

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

Ⅲ Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
Early Sending of Notice of Convocation of the General Meeting of Shareholders	The notice of convocation of the General Meeting of Shareholders in June 2026 was sent three business days prior to the statutory deadline (June 5). Disclosure on TDnet, our website, etc. was made 14 days prior to the sending date (May 22).
Scheduling of the General Meeting of Shareholders on a Non-peak Day	MHC strives to set meeting dates by avoiding the dates on which many companies hold shareholders' meetings. The most recent General Meeting of Shareholders was held on June 25, 2025.
Allowing Electronic Exercise of Voting Rights	MHC permits the exercise of voting rights via the internet.
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance the Environment for Institutional Investors to Exercise Voting Rights	MHC participates in the electronic voting platform operated by ICJ, Inc.
Providing Convocation Notices (Summary) in English	The notice of convocation in English was disclosed on TDnet and our website on May 29.
Other	・In addition to receiving questions on the website exclusively for shareholders before the meeting, MHC held a virtual and hybrid meeting of shareholders (participatory meeting) and plans to distribute the video of the General Meeting of Shareholders (on demand). ・A sign language interpreter was present at the venue in order for more shareholders to participate and have deeper understanding of MHC. The sign language interpretation was distributed simultaneously, and subtitles are planned to be added to on-demand video distribution. ・The business report was presented in an easy-to-understand video format, and the video was posted on our website. ・The results of the exercise of voting rights are disclosed, including the number of votes of approval or disapproval, in extraordinary reports.

2. Investor Relations Activities

	Supplementary Explanations	Explanation by the Representative
Formulation and Publication of Disclosure Policy	・MHC actively and continuously discloses information that is deemed to be useful for shareholders and other investors, as well as information that MHC is required to disclose under the rules of stock exchanges or laws and regulations, including the Financial Instruments and Exchange Act, in order to gain the trust and fair evaluation of shareholders and other investors. ・MHC discloses its Information Disclosure Policy at the link provided below:	-

	https://www.mitsubishi-hc-capital.com/english/investors/policy.html	
Regular Briefings for Individual Investors	・MHC participates in IR events held by securities exchanges and securities companies targeting individual investors, and explains about its business activities, performance, etc. ・MHC also provides a dedicated section that consolidates content for individual investors on our website. For individual investors: https://www.mitsubishi-hc-capital.com/english/investors/	No
Regular Briefings for Analysts and Institutional Investors	・The President & CEO, etc. holds quarterly financial results briefings. ・MHC holds small meetings between securities analysts and the President & CEO, etc. ・The President & CEO, etc. regularly holds individual interviews with domestic institutional investors and securities analysts. ・Business Segment Meetings are held for institutional investors.	Yes
Regular Briefings for Overseas Investors	・MHC regularly holds individual interviews between institutional investors in the Americas, Europe, Asia, and other countries and the President & CEO, etc. ・MHC participates in various conferences held by securities companies and holds individual interviews with overseas institutional investors.	Yes
Posting of IR Materials on Website	Financial information, Earnings Reports, Financial Results Presentations, Financial Data Sheets, Integrated Reports, ESG Data Books, Investors' Guides, and other IR information in Japanese and English are posted on our website. Investor Relations: https://www.mitsubishi-hc-capital.com/english/investors/	-
Establishment of IR-related Department (Person in Charge)	Corporate Communications Department	-
Other	Throughout the year, the staff in charge of IR hold individual interviews with domestic and overseas analysists and institutional investors (excluding quiet periods).	-

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Establishment of Internal Rules, etc. for Respecting the Positions of Stakeholders	Corporate responsibility to stakeholders is clarified in MHC's Our Vision. For Our Vision, please refer to our website. https://www.mitsubishi-hc-capital.com/english/corporate/idea.html
Implementation of Environmental Preservation Activities, CSR Activities, etc.	・MHC established the Social Contribution Activity Policy in 2021. With a focus on the environment, human development, welfare and health, safety and security, and regional contribution, MHC, as a corporate citizen, proactively and continuously engages in activities contributing to solving regional issues, such as charity and volunteer activities around the world. ・For the MHC Group's social contribution activities, please refer to our website. Together with Local Communities:

	https://www.mitsubishi-hc-capital.com/english/sustainability/social/community_and_society.html ESG Data Book: https://www.mitsubishi-hc-capital.com/english/investors/library/esg-databook.html
Formulation of Policies, etc. on the Provision of Information to Stakeholders	・MHC has established a set of regulations for handling information disclosures, regarding disclosure procedures for important management information, in order to carry out swift and impartial disclosure of accurate information related to the MHC Group to stakeholders. ・The Information Disclosure Policy sets forth matters such as the objectives and basic approach of MHC's IR activities, as well as standards for and methods of information disclosure.

IV Matters Related to the Internal Control System, etc.

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

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

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

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

[Group Management System]

(1) MHC shall establish the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct in order to share fundamental values and ethics to be embraced by all members of the Group and reflect them in business.

(2) MHC shall establish internal rules and regulations to stipulate the methods for managing the Group companies’ operations in order to ensure the propriety of their business activities and foster a strong sense of unity across the Group, thereby improving the management efficiency and corporate value of the Group as a whole.

(3) MHC shall require the Group companies to request prior approval or consultation or to provide reports regarding important management matters in line with internal rules in order to manage the Group appropriately. Thus, MHC shall manage the Group companies with responsible departments giving approval, implementing consultation, etc. in adherence to the allocation of duties.

(4) MHC shall establish methods for managing and operating internal controls pertaining to the financial reports of the Group and shall effectively develop and operate the internal controls of the Group as a whole, so that MHC’s financial reports will be prepared appropriately in accordance with the provisions of the Financial Instruments and Exchange Act.

[Risk Management System]

<Company-wide Risk Management>

(1) MHC shall establish a company-wide risk management system that is based on the policy of taking risks within the controlled scope decided by the Executive Committee, the Board of Directors, and other arms through overall understanding of the wide-ranging risks of the Group and sufficient consideration of potential risks estimated along with new operations. The company-wide risk management system aims to ensure sound management and contribute to sustainable improvement of corporate value, while performing its social responsibility as a company to stakeholders including clients, shareholders, employees, and communities.

(2) MHC shall establish a base for the stable recording of returns corresponding to risk, achievement of an appropriate capital structure, and appropriate allocation of resources, by identifying and recognizing, evaluating and measuring, controlling, monitoring, and reporting the risks of the Group as well as conducting integrated risk management and ongoing operations.

(3) MHC shall classify the major risks of the Group as follows according to the characteristics of its businesses, operations, etc., and establish risk management methods, operations, and the like.

i) Credit risks ii) Asset risks iii) Investment risks iv) Market risks v) Liquidity risks vi) Country risks vii) Operational risks

(4) Group companies shall understand the Group’s overall risks that can be reasonably evaluated and measured quantitatively. MHC shall discuss risk capital management as necessary and on a regular basis and take actions for its implementation, monitoring, etc.

(5) MHC shall establish internal rules that state, among other matters, the Group’s basic policies for risk management and risk management frameworks and operations. The Group companies shall also prepare internal rules that state, among other matters, the risk management frameworks and operations.

(6) MHC shall establish the position of an Executive Officer and a department in charge of company-wide risk management, respectively, and hold Risk Management Committee meetings related to the integrated risk management of the Group as necessary and on a regular basis. Reports to the Risk Management Committee shall be made on major risks of the Group’s business, and other risk management-related matters concerning financial markets, liquidity, compliance, systems, IT, etc. provided from the committees and internal audits.

(7) MHC shall request the Group companies to report important risk-related matters and compile information that is necessary for company-wide risk management. Then, reports shall be made to the Board of Directors on the current situation, issues and measures to be taken as necessary, etc., and the Board of Directors shall supervise integrated risk management and operations.

<Crisis Management>

(1) MHC shall clarify the Group's basic approach to and criteria for responding to crisis events and sharing them with the Group companies in order to prepare for situations such as huge financial losses, loss of credibility, and excessive delay or prolonged suspension of business at the Group. Also, MHC shall establish the systems necessary to ensure the continuation of overall business operations and restoration of normal functions, perform its social responsibility, and minimize the Group's losses.

(2) MHC shall, during normal times, designate departments to respond to potential emergency events according to their nature and establish a response system according to risk stage. MHC shall establish internal rules that are necessary in an emergency for information collection, internal collaboration, and implementation of measures for business continuation and recovery. The Group companies shall establish their own internal regulations, etc.

[Compliance System]

(1) MHC shall establish the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct in order to share fundamental values and ethics to be embraced by all members of the Group and reflect them in business.

(2) MHC shall establish a system for ensuring that the officers and employees of the Group comply with laws and regulations and the Articles of Incorporation, by establishing and announcing internal rules and the Compliance Manual.

(3) MHC shall establish the Compliance Committee, which deals with establishment, maintenance, management, etc., of the Group's compliance system, in addition to the Chief Compliance Officer (Head of Risk Management Division), who is responsible for the compliance of the Group, and the Legal & Compliance Department, which is tasked with enforcing compliance. The Group companies shall, if there are any legal risks, etc. inherent to their business activities, cooperate with MHC as necessary, and develop an appropriate compliance system.

(4) MHC shall formulate compliance programs (specific plans to ensure that the officers and employees of the Group comply with laws and regulations, etc., including education for the Group's officers and employees) and monitor how the Group's officers and employees are working on those programs.

(5) MHC shall establish two internal whistleblowing systems for the Group's officers, employees, and other personnel: the Compliance Hotline System for reports or consultations on misconduct and other improper acts and the Harassment Helpline System for reports or consultations on harassment and related matters. MHC shall not treat persons who have made reports disadvantageously merely on the grounds of having made those reports using an internal whistleblowing system. MHC shall clarify this in its internal rules, etc. and fully inform all officers and employees through internal training and on other occasions.

(6) The Group shall take a resolute stance against anti-social forces, which threaten the peace and stability of civil society, and work to prevent transactions with such forces.

(7) MHC shall work to prevent money laundering and proliferation financing, being aware of the possibility that funds transacted through the Group may be used not only for various criminal activities and/or terrorism financing but also for proliferation financing related to the acquisition of goods associated with weapons of mass destruction.

[Information Management System]

(1) MHC shall appropriately handle information assets held by the MHC Group, and establish and manage necessary systems, etc. for the maintenance and enhancement of information security.

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

[Information Disclosure System]

(1) The Group shall establish internal rules for appropriately disclosing information regarding decisions and occurrences concerning the Group in a timely manner, in accordance with accounting standards and other relevant laws and regulations. The Group companies shall cooperate with MHC as necessary.

(2) MHC shall establish a Disclosure Committee for deliberating on the appropriateness of information disclosures regarding the Group and the effectiveness of internal controls and procedures related to information disclosures, among other matters.

[Internal Audit System]

(1) MHC shall establish internal rules to smoothly and effectively promote audit activities by clarifying procedures for planning, implementing, and reporting internal audits and providing instructions for improvement within the Group.

(2) MHC shall establish the Internal Audit Department as a department in charge of internal audits. The Internal Audit Department shall systematically implement internal audits related to the Group based on an annual audit plan and report the audit results to the Representative Directors, Board of Directors, and Audit & Supervisory Committee. With regard to findings that require improvement, for which guidance was provided to the organizations subject to audits (findings), those organizations, after taking improvement measures, shall report the results to the General Manager of the Internal Audit Department. The results for findings are to be reported by the Internal Audit Department to the Representative Directors, in order to ensure the effectiveness of the audit.

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

[Framework for Ensuring the Efficient Execution of Duties]

(1) MHC shall set management targets for the Group and draw up management plans to manage business based on appropriate methods. The Group companies shall conduct business management based on appropriate methods, based on the Group's management targets and management plans.

(2) MHC shall establish the Executive Committee, a body which will deliberate and decide on important matters, and the Board of Directors shall delegate the business execution decisions to the Executive Committee in an appropriate manner. The Executive Committee will hold discussions and make decisions on important matters, including the business management of the Group, in addition to conducting preliminary deliberations of matters that are to be submitted to the Board of Directors to facilitate decision-making by the Board of Directors. In addition, various committees shall be established as advisory bodies to the Executive Committee.

(3) In order to efficiently conduct the execution of duties based on the decisions of the Board of Directors, MHC shall build an organizational structure, etc., in accordance with the internal rules, and shall assign the execution of duties. The Group companies shall provide appropriate cooperation such as reports to and consultations with MHC on necessary matters pursuant to the internal rules.

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

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

(1) MHC shall clearly define the authority and responsibilities of the Board of Directors and Directors regarding material decision-making matters including compliance management, as well as matters decided at the discretion of the Board of Directors.

(2) The Board of Directors shall receive and confirm reports of material information related to the execution of duties by Executive Directors, and utilize an internal whistleblowing system through reports made at the Compliance Committee, etc.

(3) MHC shall retain and manage material documents and other data related to the execution of duties by Directors pursuant to the provisions of the internal rules.

(4) MHC shall establish the Executive Committee to deliberate and decide important management matters. The Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee shall attend meetings and confirm the details of the deliberation.

(5) MHC shall request application for prior approval or consultation, provision of reports, etc. regarding matters related to the execution of duties by directors of the Group companies pursuant to the provisions of the internal rules.

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

(1) MHC shall establish the Audit & Supervisory Committee Office to assist with duties of the Audit & Supervisory Committee. The employees to assist with duties of the Audit & Supervisory Committee shall not be subject to the directions and instructions of Directors excluding Directors who are Audit & Supervisory Committee Members. When implementing personnel transfers or disciplinary action for the above employees, the consent of the Audit & Supervisory Committee shall be obtained. When determining performance evaluation, remuneration, etc. for those employees, the consent of the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee shall be obtained.

(2) Executive Directors shall cooperate in developing working environments and other relevant conditions so that the above employees can assist with duties of the Audit & Supervisory Committee smoothly.

[Framework for Reporting to the Audit & Supervisory Committee]

(1) Directors, Executive Officers and other relevant executives, and employees must report the following matters without delay to the Audit & Supervisory Committee or the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee:

① when they discover any facts that are likely to cause significant damage (including loss of credit) to MHC or when significant damage occurs, they shall immediately report to that effect (including matters concerning material lawsuits);

② the status of whistleblowing through an internal whistleblowing system developed by Directors;

③ the status of management concerning elimination of transactions and blocking of relationships with anti-social forces and sanctioned parties; and

④ other matters that the Audit & Supervisory Committee requests to be reported.

(2) Directors, auditors, and employees of subsidiaries or persons who receive reports from any of those persons must report to the Audit & Supervisory Committee or the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee without delay, if any of the matters set forth in the preceding paragraph occurs.

(3) Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee shall cooperate closely with the auditors of Group companies and other relevant persons, through right means such as exchanging information necessary for the execution of duties.

(4) If required by the Audit & Supervisory Committee or the Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee, Directors, Executive Officers and other relevant executives, and employees must attend the Audit & Supervisory Committee and explain matters with necessary materials.

(5) MHC shall not treat the persons who have made the reports under (1) to the Audit & Supervisory Committee or any Audit & Supervisory Committee Members disadvantageously merely on the grounds of having made those reports.

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

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

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

(1) The Audit & Supervisory Committee shall exchange opinions with Directors, Executive Officers and other relevant executives, and employees concerning the status of business operations in a structured manner. The Audit & Supervisory Committee may request opinions from lawyers, the Accounting Auditor, etc. as necessary, for cases that require expertise.

(2) The Audit & Supervisory Committee shall receive the audit plan and the audit implementation report from the Accounting Auditor and exchange opinions with them in order to enhance the effectiveness of audits. In addition, the Audit & Supervisory Committee shall collect information and improve the audit environment in collaboration with the Internal Audit Department and other departments responsible for internal control.

(3) The Audit & Supervisory Committee Members and the employees to assist with the duties of the Audit & Supervisory Committee who were selected by the Audit & Supervisory Committee may attend the Executive Committee and other important committee meetings, make necessary statements at such places, and view important documents.

(4) The Audit & Supervisory Committee Members selected by the Audit & Supervisory Committee shall request that MHC and its subsidiaries report on their business, or investigate the situation of the duties and properties, and MHC and its subsidiaries shall cooperate with this.

(5) The Internal Audit Department shall make a report to the Audit & Supervisory Committee regarding the internal audit plan, internal audit result, and the amendment and abolition of important rules related to internal audit. The Internal Audit Department shall also respond to requests from the Audit & Supervisory Committee in relation to information provision, investigation, and report.

(6) Directors, Executive Officers and other relevant executives, and employees shall provide the necessary cooperation for the execution of duties of the Audit & Supervisory Committee, based on the Audit & Supervisory Committee Regulations, standards for audit, etc. of the Audit & Supervisory Committee, and standards for the Audit & Supervisory Committee to conduct an audit regarding an internal control system.

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

(1) Basic Views against Anti-social Forces

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

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

① Implementation of internal rules

The Group defines the elimination of anti-social forces in the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct and follows the detailed provisions set out thereof in internal rules.

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

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

③ Specific Initiatives to Eliminate Anti-social Forces

(a) The Group confirms information about anti-social forces at the time of transactions and on a regular basis.

(b) Anti-social forces elimination clauses are included in agreements and the terms and conditions of transactions.

(c) The Group works closely with outside expert organizations to handle anti-social forces, such as through consultations with the police and lawyers, etc., as necessary.

④ Implementation of Training Activities

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

(Links)

- Mitsubishi HC Capital Group Code of Ethics
  https://www.mitsubishi-hc-capital.com/english/sustainability/pdf/ethics.pdf
- Basic Policy on Anti-social Elements
  https://www.mitsubishi-hc-capital.com/english/sustainability/pdf/antisocial.pdf

V Other

1. Adoption of Anti-takeover Measures

Adoption of Anti-takeover Measures	Not adopted

Supplementary Explanation

-

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

■ Corporate Governance Framework Including the Overview of the Internal Control System

Please refer to the figure on the next page.

■ Overview of the Information Disclosure System

MHC stipulates in its Information Disclosure Policy that it strives to conduct proactive and continuous information disclosure in order to be trusted and properly evaluated by its diverse stakeholders including shareholders and investors. MHC's Information Disclosure Policy is released on its website.
https://www.mitsubishi-hc-capital.com/english/sustainability/various_policies.html

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

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

(1) Internal Rules Regarding Timely Disclosure

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

(2) Responsible Department

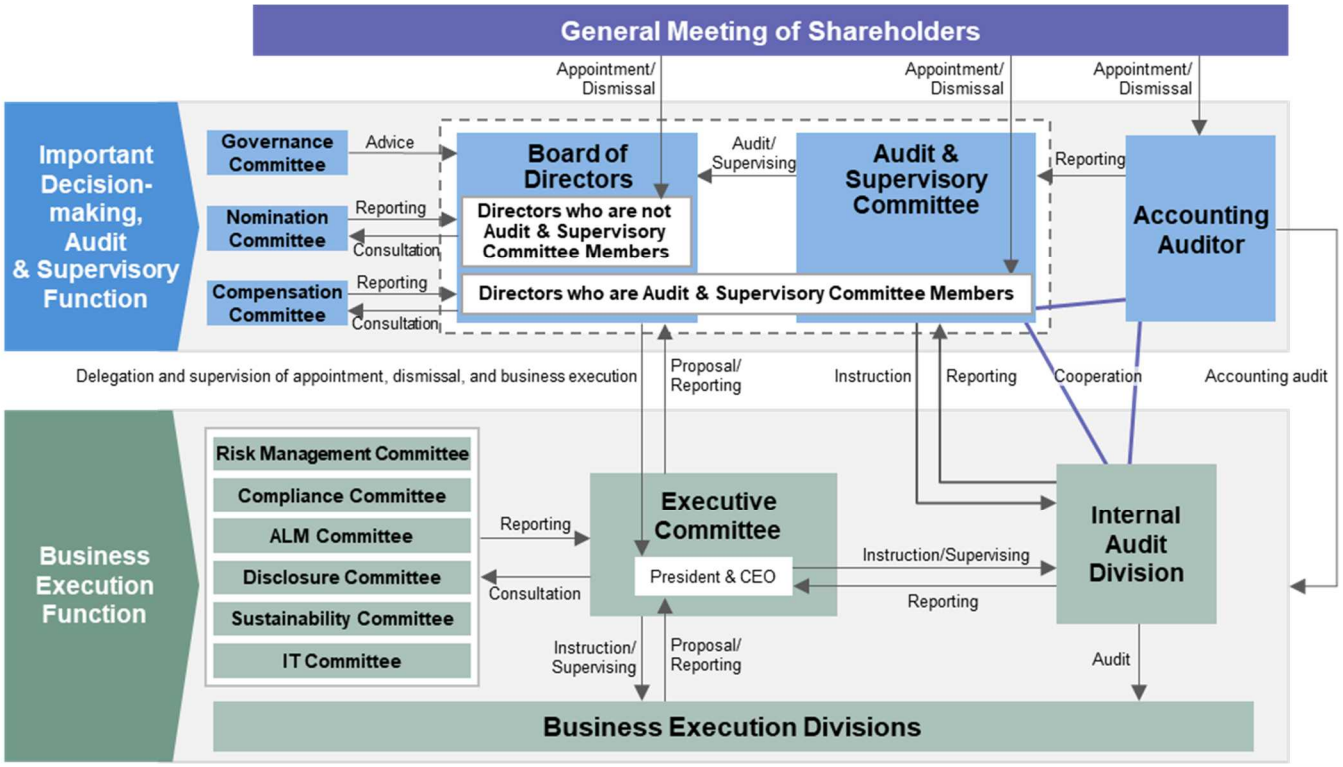
With regard to information concerning material decisions or occurrence of facts, financial results information, and the like (hereinafter "material information"), the person in charge of management of the division managing such information will report to the department in charge of disclosure. In addition,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

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

(3) Disclosure Committee

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

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


General Meeting of Shareholders
Appointment/ Dismissal
Appointment/ Dismissal
Appointment/ Dismissal
Important Decision-making, Audit & Supervisory Function
Governance Committee
Advice
Nomination Committee
Reporting
Consultation
Compensation Committee
Reporting
Consultation
Board of Directors
Directors who are not Audit & Supervisory Committee Members
Audit/ Supervising
Audit & Supervisory Committee
Reporting
Accounting Auditor
Directors who are Audit & Supervisory Committee Members
Delegation and supervision of appointment, dismissal, and business execution
Proposal/ Reporting
Instruction
Reporting
Cooperation
Accounting audit
Business Execution Function
Risk Management Committee
Compliance Committee
ALM Committee
Disclosure Committee
Sustainability Committee
IT Committee
Reporting
Consultation
Executive Committee
President & CEO
Instruction/Supervising
Reporting
Internal Audit Division
Instruction/ Supervising
Proposal/ Reporting
Audit
Business Execution Divisions

[Efforts on Each Principle of the Corporate Governance Code]

For pages and links to information on the principles stipulated in the Corporate Governance Code, please refer to the [List of Disclosures Based on the Corporate Governance Code] on page 57.

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I Basic Management Policy, Management Plan

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

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

[Basic Management Policy]

<Our Mission> ~Our long-term goal~

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

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

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

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

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

[Materiality]

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

<Materiality of Mitsubishi HC Capital Group>

① Promote a decarbonized society
② Realize the circular economy
③ Establish resilient social infrastructure
④ Realize healthy lifestyles that promote positive wellbeing
⑤ Create businesses utilizing the latest technologies
⑥ Collaborate with partners locally and globally

Please refer to our website for details of our efforts on materiality.
https://www.mitsubishi-hc-capital.com/english/sustainability/materiality.html

Materiality	Why the Group treats as highly material challenges	Related SDGs
Promote a decarbonized society	■ Efforts to realize a decarbonized society have been widely recognized as an urgent global priority, and there is significant scope for our Group to contribute in key growth areas such as investments in renewable energy and EV promotion. ■ It is highly important for the Group to clearly distinguish initiatives that run counter to addressing social issues, as such initiatives could have a significant impact on its business.	
Realize the circular economy	■ As a leading company in the leasing industry, it is highly important for the Group to contribute to the realization of a circular economy by reducing waste both within the Group and across society, while maximizing the potential of assets. ■ The Group can also contribute to the realization of a sustainable and prosperous society through strengthened collaboration with partners.	
Establish resilient social infrastructure	■ Domestic infrastructure development entering periods of repair and renewal, the proactive expansion of overseas infrastructure support through collaboration with various partners, and the development of smart cities represent areas of significant opportunity. ■ The Group can contribute to enhancing business diversification, sophistication, and efficiency by establishing systems and providing services that facilitate collaboration among companies.	
Realize healthy lifestyles that promote positive wellbeing	■ Creating and providing services that help ensure the health, safety, security, and cultural wellbeing of the Group's stakeholders is of high importance in realizing a prosperous future. ■ Human capital is the source of value and trust in corporate activities, and enhancing employee motivation as well as attracting and retaining talented individuals is also highly important.	
Create businesses utilizing the latest technologies	■ By capturing customers' financing needs for DX and addressing them through the use of the Group's technologies and digital capabilities, the Group aims to promote the development of new business models. ■ Including the establishment of supply chains associated with the use of alternative energy, this represents a highly important opportunity to create businesses that combine diversity and innovation.	
Collaborate with partners locally and globally	■ As social issues differ by country and region, it is important for the Group to address these issues by identifying local needs and collaborating with local partners. ■ By leveraging the Group's comprehensive capabilities, we aim to realize a society in which we grow together with our stakeholders.	

I-2 Value Creation Story, Our FY2031 Vision, Medium-term Management Plan (Principle 3.1 (i))

MHC has summarized how the Group intends to create value for each stakeholder in the form of a value creation story. We will enhance our corporate value over the medium to long term by positioning the four key elements of *business*, *finance*, *digital*, and *talent and culture* as the engines of value creation.

Our 10-year Vision ("Together we innovate, challenge and explore the frontiers of the future"), which we established in May 2022, represents a milestone in achieving Our Mission from a long-term perspective based on this value creation story. It is positioned as a compass to guide us toward achieving Our Mission over the course of the three Medium-term Management Plans ("hop," "step," and "jump" plans). In formulating the 2028 MTMP, we redefined Our 10-year Vision as Our FY2031 Vision from the perspectives of the four key elements and refined our future direction.

We formulated the 2028 MTMP with the goal of achieving Our FY2031 Vision and positioned its period as a phase to improve profitability and accelerate the enhancement of our corporate value.

Please refer to our website for more details on the Medium-term Management Plans.

https://www.mitsubishi-hc-capital.com/english/investors/plan.html

I-3 Basic Views and Policies on Corporate Governance (Principle 3.1 (ii))

(Repost of page 1)

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

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

(1) Fostering Sound Corporate Culture

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

(2) Ensuring Appropriate Information Disclosure and Transparency

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

(3) Ensuring the Rights and Equal Treatment of Shareholders

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

(4) Constructive Dialogue with Shareholders

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

(5) Ensuring Effectiveness of the Board of Directors

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

II Structure and Effectiveness of the Board of Directors

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

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

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

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

MHC has selected nine areas of skills that the Board of Directors should possess: corporate management, finance, global, sustainability, sales/marketing, IT/DX, finance/accounting, risk management / legal affairs, and talent management. It recognizes the importance of reviewing these areas of skills regularly in light of its management strategies and environment, and thus it will continue to consider this matter at Governance Committee and Nomination Committee meetings.

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

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

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

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

[Change in the Ratios of the Board of Directors]

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

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

The MHC Group has established Our FY2031 Vision* ("Together we innovate, challenge and explore the frontiers of the future") as a milestone toward the realization of its management philosophy. In working toward achieving this vision, we have selected the following nine areas of skills from the perspective of the three categories, overall management, earnings growth, and strengthening corporate functions. Refer to the table below for the reasons for the selection and the skills of each Director.

* Our 10-year Vision announced in May 2022 has been redefined, including the clarification of the timeline for its achievement.

[Reasons for Selection of the Skills]

Category	Skill	Reason for Selection
Matters Related to Overall Management	Corporate Management	➢ Achieving Our FY2031 Vision, which serves as a milestone toward realizing the Company's management philosophy, requires accurately identifying materiality (material issues) and addressing them through management initiatives. To that end, we believe it is essential to have the ability to boldly drive company-wide transformation, including SX,[1] DX,[2] and business portfolio transformation, as well as the ability to oversee these initiatives. We also believe it is essential to have the ability to build and promote systems that support sound corporate management rooted in compliance, as well as the ability to oversee these activities. 1. Sustainability transformation 2. Digital transformation
	Finance	➢ We believe it is essential to have a deep understanding of the Company's business as a financial services provider, as well as deep insight into domestic and international finance, and the ability to apply that expertise to the promotion and oversight of the Company's management and business strategies.

	Global	➢ The Company operates a wide range of businesses globally, and we believe it is essential to have deep insight into global business, including cross-cultural and geopolitical considerations, as well as the ability to apply that insight to the promotion and oversight of management.
	Sustainability	➢ We believe it is essential to have the ability to promote and oversee sustainability management, which balances the resolution of social issues with the sustainable enhancement of corporate value.
Matters Related to Earnings Growth	**Sales/Marketing**	➢ To strengthen earning power through a shift to high value-added businesses and the development of new businesses, we believe it is essential to have the ability to leverage sales and marketing capabilities to build and promote business strategies such as *the evolution and layering of business models*, as well as the ability to oversee these activities.
Matters Related to Strengthening Corporate Functions	**IT/DX**	➢ To realize the creation and enhancement of customer value through the use of data and digital technology, we believe it is essential to have the ability to apply advanced knowledge of IT and DX to management and its oversight.
	Finance/ Accounting	➢ We believe that advanced expertise in accounting is essential to support the Company's globally developed business through effective management and oversight. Furthermore, to achieve sustainable growth, we believe it is essential to have the ability to promote and oversee a financial strategy that balances the three key elements of financial soundness, return on capital, and growth potential.
	Risk Management / Legal Affairs	➢ We believe it is essential to have the ability to build and promote a risk management framework that supports growth strategies through enhanced risk control, as well as the ability to oversee these activities. Furthermore, we believe that advanced expertise in legal affairs is essential to identify key risks in business activities from a legal perspective and to apply that insight to management and its oversight.
	Talent Management	➢ We believe it is essential to have the ability to build and promote a talent strategy that secures, develops, and utilizes talent in order to fulfill a talent portfolio that supports management strategies and to create a workplace that is both comfortable and motivating. This includes the ability to oversee such activities.

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

Name	Position	Matters Related to Overall Management				Matters Related to Earnings Growth	Matters Related to Strengthening Corporate Functions			
		Corporate Management	Finance	Global	Sustainability	Sales/ Marketing	IT/DX	Finance/ Accounting	Risk Management / Legal Affairs	Talent Management
Takahiro Yanai	Director, Chairman	○	○	○	○	○		○	○	○
Taiju Hisai	Representative Director, President & CEO	○	○	○	○	○		○	○	○
Aiichiro Matsunaga	Representative Director, Deputy President	○	○	○	○	○			○	○
Kazumi Anei	Director, Deputy President	○	○	○	○	○				

Kazuyoshi Kawakami	Director, Managing Executive Officer	○	○	○	○			○		
Hiroyasu Nakata	Director (Outside Director) (Independent Director)								○	
Junko Takata	Director (Outside Director) (Independent Director)			○		○				
Shota Kondo	Director (Outside Director)	○		○	○	○				
Yoshitaka Shiba	Director, Audit & Supervisory Committee Member	○	○			○		○	○	
Hiroko Kaneko	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)							○	○	
Masayuki Saito	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	○		○	○			○	○	○
Kayoko Kawamura	Director (Outside Director) (Independent Director)					○	○			

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

1. Matters Concerning the Board of Directors

MHC implements a system to manage and operate business in line with the basic policy of the MHC Group decided by the Board of Directors. MHC's Directors possess qualities appropriate for their positions, giving the Board of Directors a set of diversified and sufficient skills.

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

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

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

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

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

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

independence and objectivity of the functions of the Board of Directors and its accountability, MHC assigns independent Outside Directors as the chairpersons of the committees.

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

3. Matters Concerning Business Execution

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

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

4. Status of Audits

(1) Audit & Supervisory Committee

Based on its basic policy of conducting audits that contribute to the establishment of a sound corporate governance framework, the Audit & Supervisory Committee works in close coordination with the Internal Audit Department, departments responsible for internal control functions, and the Accounting Auditor, and conducts effective audits through the following activities.

Major Audit & Supervisory Committee Activities	
Deliberations, etc. at the Audit & Supervisory Committee	■ Formulation of an annual audit policy and plans and creation of audit reports ■ Status of business execution by business execution divisions ■ Matters related to business reports, financial statements, etc. ■ Reporting on the Accounting Auditor's audit plan, the status of audits, and audit results ■ Reporting on the Internal Audit Department's audit plan, the status of audits, and audit results
Attendance at important meetings	■ Attendance at meetings of the Board of Directors, Governance Committee, etc.
Visits to offices in Japan and overseas	■ Visits to offices of MHC and its Group companies in Japan and overseas
Opinion exchanges with the management team	■ Opinion exchanges with Representative Directors and other management members ■ Opinion exchanges with Group companies' management members, etc.

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

Mr. Yoshitaka Shiba has management experience as the Group CAO (Chief Audit Officer) at a major Japanese financial institution, etc. and knowledge of finance and accounting.

Ms. Hiroko Kaneko possesses advanced knowledge of accounting, auditing, etc. gained through her experience at major audit corporations and as a university processor.

Mr. Masayuki Saito has management experience as the Representative Director and Executive Vice President, Director and Chairman, etc. at a leading Japanese manufacturer and knowledge of finance and accounting.

Ms. Kayoko Kawamura has experience and knowledge in digital transformation (DX), having held positions such as Head of Application Development and Executive Officer at a major system vendor.

The Audit & Supervisory Committee is chaired by Mr. Shiba, who is a full-time Audit & Supervisory Committee Member. The committee gathers information from a wide range of sources and reports matters deemed important to other members, and for matters deemed particularly important, instructs relevant parties to provide additional reporting and submits such matters to the Audit & Supervisory Committee for deliberation.

- Attendance at meetings of the Executive Committee and other committees held by business execution divisions
- Visits to offices of MHC and its Group companies in Japan and overseas
- Meetings with Representative Directors, Heads of business divisions and Corporate Center divisions, etc.
- Opinion exchanges with Group companies' management members
- Meetings and information sharing with the Internal Audit Department and the Accounting Auditor
- Meetings with accounting departments, risk management departments, and legal and compliance departments

・ Opinion exchanges with auditors, etc. of domestic and overseas Group companies

・ Holding of consultative meetings joined by all full-time auditors of domestic Group companies

The Audit & Supervisory Committee is enhancing the effectiveness of its activities by organically combining the independence of Audit & Supervisory Committee Members who serve as independent Outside Directors with the information gathering capabilities of full-time Audit & Supervisory Committee Members.

The Audit & Supervisory Committee Office was established to support the activities of the Audit & Supervisory Committee, and dedicated employees with appropriate knowledge, capabilities, and experience have been assigned.

(2) Department in Charge of Internal Audits

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

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

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

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

(3) Accounting Auditor

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

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

The certified public accountants that performed the accounting audit operations of MHC in FY2025 were Mr. Motohiro Shimizu, Mr. Masashi Tsurumi, and Mr. Masahiro Fujimori, who are Designated Limited Liability Partners and Engagement Partners of Deloitte Touche Tohmatsu LLC.

In addition, 14 certified public accountants and 32 other staff members served in assistant roles in said audit operations.

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

① Independence of the Accounting Auditor

② Auditing ability

③ Quality management

④ Capability of the Accounting Auditor’s global network

[List of Each Committee’s Members]

Name	Title	Board of Directors	Audit & Supervisory Committee	Governance Committee	Nomination Committee	Compensation Committee
Takahiro Yanai	Director, Chairman	◎		◎	○	○
Taiju Hisai	Representative Director, President & CEO	○		○		

Name	Title	Board of Directors	Audit & Supervisory Committee	Governance Committee	Nomination Committee	Compensation Committee
Aiichiro Matsunaga	Representative Director, Deputy President	○		○		
Kazumi Anei	Director, Deputy President	○				
Kazuyoshi Kawakami	Director, Managing Executive Officer	○				
Hiroyasu Nakata	Director (Outside Director) (Independent Director)	○		○	○	○
Junko Takata	Director (Outside Director) (Independent Director)	○		○	○	○
Shota Kondo	Director (Outside Director)	○		○	○	○
Yoshitaka Shiba	Director, Audit & Supervisory Committee Member	○	◎	○		
Hiroko Kaneko	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	○	○	○	○	○
Masayuki Saito	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	○	○	○	◎	○
Kayoko Kawamura	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	○	○	○	○	◎

◎：Chairperson, ○：Member

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

(1) Board of Directors

Board of Directors meetings are held every month, in principle. Meetings were held 15 times in FY2025, where important management matters such as the Medium-term Management Plan, major investment projects, business strategies of each business division, and IR activities were deliberated and decided. In addition, the rationality of cross-shareholdings was verified. Furthermore, the status of audit is reported from the Audit & Supervisory Committee in a timely manner.

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

The main matters deliberated by the Board of Directors in FY2025 are as follows:

Main Matters Deliberated by the Board of Directors	
Management strategies	■ Enhancement of corporate value over the medium to long term ■ Medium-term Management Plan (progress of the 2025 MTMP and consideration of the 2028 MTMP) ■ Initiatives to realize management with a focus on capital cost and share price, etc.
Businesses	■ Acquisition of large assets ■ Progress of businesses of each division, etc.
Financial results and dividends	■ Year-end financial results ■ Year-end dividend ■ Annual securities report (details and timing of disclosure), etc.
Governance	■ Policies for cross-shareholdings ■ Details of the Corporate Governance Report ■ Assessment of the Board of Directors' effectiveness ■ Reports by the Audit & Supervisory Committee, etc.
Human resources and compensation	■ Selection of Representative Directors ■ Skill matrix and selection of Directors ■ Compensation for Directors and Executive Officers ■ Appointments of Executive Officers, etc.
Activity reports by each committee	■ Status of sustainability activities ■ Status of risk management ■ Status of compliance management, etc.

Attendance at the Board of Directors meetings by Directors in FY2025 was as follows:

15/15 times (100%)	Takahiro Yanai, Taiju Hisai, Aiichiro Matsunaga, Kazumi Anei, Haruhiko Sato, Yuri Sasaki, Kayoko Kawamura, Yoshitaka Shiba, Hiroyasu Nakata, Hiroko Kaneko, Masayuki Saito
14/15 times (93%)	Shota Kondo

(2) Audit & Supervisory Committee

Committee meetings are held every month, in principle. Committee meetings were held 14 times in FY2025 where the following matters were deliberated and reported.

Main Matters Deliberated and Reported at the Audit & Supervisory Committee in FY2025		
Overall audit activities		■ Formulation of an annual audit policy and plans and creation of audit reports ■ Status of audit activities by the Audit & Supervisory Committee Members designated by the Audit & Supervisory Committee
	Departments responsible for internal audits	■ Results of business audits and internal control audits by the Internal Audit Department
	Accounting Auditor	■ Appropriateness of the compensation and reappointment of the Accounting Auditor and audit results ■ Progress and results of audits by the Accounting Auditor and processes of determining key audit matters (KAMs)
	Departments responsible for internal control functions	■ Status of internal control ■ Matters reported and deliberated at committees (Risk Management, Compliance, Sustainability, IT, Disclosure, ALM, etc.)

Attendance by Directors in FY2025 was as follows:

14/14 times (100%)	Yoshitaka Shiba, Hiroyasu Nakata, Hiroko Kaneko, Masayuki Saito

(3) Governance Committee

Committee meetings were held eight times in FY2025, where PDCA was conducted for effectiveness assessment by deliberating the method of effectiveness assessment for the Board of Directors and the analysis of the assessment results. Also, various governance guidelines were comprehensively reviewed, issues at MHC were identified, and multifaceted discussions were held about the composition of the Board of Directors members, the expansion of the roles of Outside Directors, the improvement of the effectiveness of the Board of Directors, and other matters.

Attendance by Directors in FY2025 was as follows:

8/8 times (100%)	Takahiro Yanai, Taiju Hisai, Aiichiro Matsunaga, Yuri Sasaki, Kayoko Kawamura, Yoshitaka Shiba, Hiroyasu Nakata, Hiroko Kaneko, Masayuki Saito
7/8 times (88%)	Shota Kondo

(4) Nomination Committee

Committee meetings were held nine times in FY2025, which deliberated the reappointment of the President & CEO, the revision of skills that the Board of Directors should possess (skill matrix), etc.

Attendance by Directors in FY2025 was as follows:

9/9 times (100%)	Takahiro Yanai, Yuri Sasaki, Kayoko Kawamura, Hiroyasu Nakata, Hiroko Kaneko, Masayuki Saito
8/9 times (89%)	Shota Kondo

(5) Compensation Committee

Committee meetings were held eight times in FY2025, which deliberated the policy, the system, and the level of officers' compensation, the evaluation system for officers' bonuses, and other matters.

Attendance by Directors in FY2025 was as follows:

8/8 times (100%)	Taiju Hisai, Yuri Sasaki, Kayoko Kawamura, Shota Kondo, Hiroyasu Nakata, Hiroko Kaneko, Masayuki Saito

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

MHC has continued efforts to further improve the effectiveness of the Board of Directors based on annual reviews and assessments conducted by all Directors at the Board of Directors throughout the year for the purpose of maintaining and enhancing the functions of the Board of Directors.
Major initiatives and an overview of the assessment of the effectiveness of the Board of Directors for FY2025 are as follows:

[Major Initiatives in FY2025]

Issues in FY2024	Response to Issues
Improving agenda items and the content of deliberations	■ Discussed growth strategies, resource allocation, and other matters that contribute to the enhancement of corporate value over the medium to long term in the process of formulating the 2028 MTMP. ■ Discussed the level and ratio of officers' compensation in consideration of the optimal incentives in the 2028 MTMP (revisions to KPIs, evaluation weights, etc.). ■ Followed up on important matters and investment projects that posted losses. ■ Verified the effects of the revisions to the criteria for matters to be submitted to the Board of Directors implemented in the previous fiscal year. Reconfirmed the roles and purposes of the Board of Directors and other committees and clarified items for deliberation. ■ Considered further accelerating the disclosure of the annual securities report.
Enhancing communication	■ Held roundtable discussions and opinion exchange meetings attended only by independent Outside Directors. ■ Held opinion exchange meetings between independent Outside Directors and the Chairman and the President & CEO. ■ Held communication sessions between Outside Directors and Executive Officers. ■ Held communication sessions between Outside Directors and the management personnel and employees of overseas Group companies, etc.

Improving information provision system	■ Visits to domestic and overseas offices by Outside Directors ■ Reporting of the current status of each unit and each business division

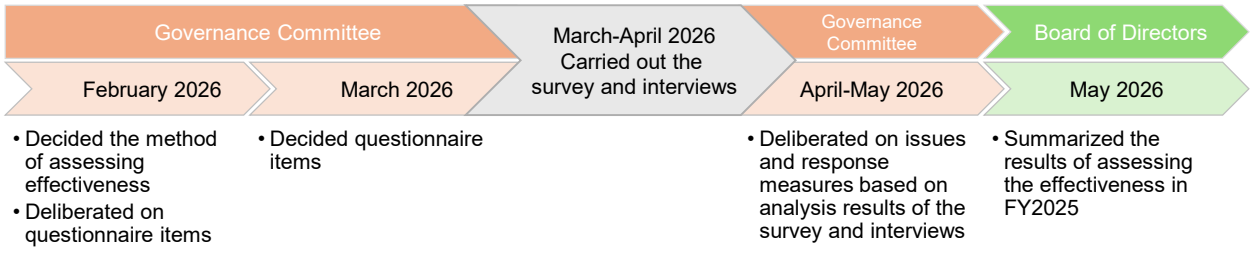
[Assessment of the Effectiveness of the Board of Directors in FY2025]

Assessment Method

■ At the Governance Committee meeting held in February 2026, the method of assessing the effectiveness of the Board of Directors for FY2025 was discussed. While the necessity of using a third-party organization was considered, it was reaffirmed that in-house effectiveness assessments are more effective in identifying issues based on our vision for the Company.

■ A questionnaire survey on the effectiveness of the Board of Directors, Governance Committee, Nomination Committee, and Compensation Committee was conducted for all Directors. In addition, the secretariat conducted individual interviews with all Outside Directors to understand the background of their opinions and requests, followed by in-depth, one-on-one discussions with the Chairperson of the Board of Directors and the President & CEO regarding the Board's effectiveness.

■ The Governance Committee deliberated multiple times on the opinions and requests from each Director and the policy for addressing the identified issues, and the Board of Directors assessed the effectiveness of the Board in FY2025.



Results

The major results of the assessment above are shown below:

① It was determined that MHC's Board of Directors is sufficiently performing its role.

- In the formulation of the 2028 MTMP, the Board of Directors was able to allocate sufficient time to discuss important points, such as the analysis of internal and external environments, measures to drive the enhancement of corporate value over the medium to long term, and key strategies including the restructuring of our business portfolio.
- Through follow-up on important matters and investment projects that posted losses, the Board of Directors reviewed the background, assumptions, and decision-making criteria at the time of decision-making and obtained lessons and insights to be applied to future investment policies and frameworks, etc.
- In terms of the Board's operation, improvements were implemented, including timely and appropriate agenda setting to promote substantive discussions and a review of presentation templates. Initiatives such as discussions among independent Outside Directors only and communication between the Board of Directors and Executive Officers were also evaluated as effective.

② It was determined that MHC's Governance Committee, Nomination Committee, and Compensation Committee are sufficiently performing their roles.

- The Governance Committee steadily advanced measures to address issues identified in the previous year's effectiveness assessment, while also engaging in discussions on corporate governance and risk management frameworks aimed at strengthening the Company's earning power.
- The Nomination Committee discussed the consideration of the skills matrix, the nomination of new Director candidates, etc. while the Compensation Committee discussed increasing the proportion of variable compensation in officers' compensation as an incentive to enhance corporate value over the medium to long term, as well as the performance indicators and weighting linked to the key performance indicators of the 2028 MTMP.

③ As the issues to address in FY2026, it was confirmed that the Board of Directors will discuss our new 10-year vision and Company-wide themes (such as DX) while continuing to discuss talent development, the role and approach to corporate governance, etc.

In addition, by continuing to refine operational practices to further enhance the effectiveness of the Board of Directors and the committees, we will further strengthen governance.

II-5 Training Policy for Directors (Supplementary Principle 4.14.2)

MHC provides training opportunities, etc. to Directors as below so that they can adequately fulfill their duties and responsibilities, engage in effective discussions at the Board of Directors, and sufficiently exercise supervisory functions. MHC bears the full cost related to the training of Directors.

■ For all Directors, we hold study sessions and other programs on governance by inviting external lecturers, and recommend seminars on the latest corporate governance trends, digital transformation, sustainability, and other matters. Further, as an

initiative to deepen Outside Directors' understanding of our business and strategies, we provide them with opportunities to talk to and exchange opinions with our business execution divisions globally.

- When Outside Directors assume their positions, business execution divisions brief them on matters including our corporate mission, business conditions, and corporate governance, and conduct an orientation to deepen their understanding of the MHC Group.

III Nomination and Compensation of Directors

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

In determining an appropriate composition of the Board of Directors, we actively enhance the functions of the Board of Directors through increased diversity by electing persons expected to demonstrate the necessary skills and abilities in light of the respective management environment, while also recognizing and considering the importance of diversity in terms of gender, nationality, race, and other factors.

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

[Selection Standards]

1. Directors and Audit & Supervisory Committee Members should have the mental and physical soundness sufficient to execute business.
2. Directors and Audit & Supervisory Committee Members should be persons who are well respected, possess excellent integrity, and hold themselves to high ethical standards.
3. Directors and Audit & Supervisory Committee Members should have a law-abiding mentality.
4. Directors and Audit & Supervisory Committee Members should be expected to make objective judgments regarding management and have excellent foresight and insight.
5. It is reasonable to consider that the candidates will help strengthen the functions of the Board of Directors in view of their knowledge, experience, abilities, and other competencies.
6. In addition to 1. to 5. above, candidates for Outside Directors should (i) have experience, achievements, and knowledge in their fields of specialization, (ii) be able to contribute to the implementation of appropriate decision-making and management supervision of the Board of Directors, and (iii) be expected to secure the time necessary to fulfill their duties.
7. Candidates for reappointment should have performed roles expected of them during each of their previous assignments.

[Dismissal Standards]

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

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

(As of June 25, 2026)

Candidate's Name	Title	Reasons for Appointment and Expected Role
Takahiro Yanai	Director, Chairman	Mr. Takahiro Yanai was appointed President & CEO of Mitsubishi UFJ Lease & Finance Company Limited (currently the Company) in 2017 based on his management experience at major Japanese financial institutions, and led the global expansion of the Company as the chief of business execution until March 2023. Since April 2023, he has been in charge of supervision of management as a non-executive Director and Chairman and has been working to strengthen the Company's governance as a foundation for sustainable growth. As he is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors by leveraging the above experience and insight, we have reappointed him Director.

Candidate's Name	Title	Reasons for Appointment and Expected Role
Taiju Hisai	Representative Director, President & CEO	Based on his management experience at a leading Japanese financial institution, Mr. Taiju Hisai served as Deputy President of the Company from 2021, assisting the President & CEO across all aspects of the Company's operations. He has served as Representative Director, President & CEO acting as the chief of business execution since April 2023. He has sufficient experience and knowledge to assume business management of the Company as it expands globally. We have deemed him to be the best candidate to take command of business as Representative Director, President & CEO and to aim for the Company's sustainable growth and improvement of corporate value over the medium to long term. We have therefore reappointed him Director.
Aiichiro Matsunaga	Representative Director, Deputy President	Since June 2024, Mr. Aiichiro Matsunaga has served as Representative Director, Deputy President of the Company, assisting the President & CEO across all aspects of operations based on his management experience at a major Japanese general trading company. He has sufficient experience and knowledge to assume business management of the Company as it expands globally. We expect him to contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director and have therefore reappointed him Director.
Kazumi Anei	Director, Deputy President	Mr. Anei served as Executive Officer and CMO (chief marketing officer) of Hitachi Capital Corporation from 2016 and 2020, respectively, and since 2021, has overseen the Customer Solutions Unit as Director, Deputy President of the Company, assisting the President & CEO. He has sufficient experience and knowledge to assume business management of the Company as it expands globally. We expect him to contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director and have therefore reappointed him Director.
Kazuyoshi Kawakami	Director, Managing Executive Officer	Based on his experience as the CFO (chief financial officer) of overseas subsidiaries at a major Japanese general trading company, Mr. Kawakami was appointed Director, Managing Executive Officer of the Company in April 2026. He currently serves as the Head of the Treasury & Accounting Division and the Deputy Head of the Corporate & Strategic Planning Division. Leveraging his experience and knowledge in the Company's Corporate Center divisions primarily in the field of finance, we expect him to contribute to the Company's sustainable growth and improvement of corporate value over the medium to long term as an Executive Director and have therefore appointed him Director.
Hiroyasu Nakata	Director (Outside Director) (Independent Director)	As a legal specialist who has served as a lawyer and a university professor, Mr. Nakata possesses advanced knowledge of the law. He also has experience in the investigation and deliberation of key issues related to legal affairs, having served as an Expert Committee Member of the Legislative Council of the Ministry of Justice. We have determined that, by leveraging the above knowledge and experience, he is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as an independent Outside Director. We have therefore appointed him Director. We expect him to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective, independent of executive management responsible for business execution, as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.
Junko Takata	Director (Outside Director) (Independent Director)	As a Senior Director of DHL Japan Co., Ltd., Ms. Takata oversaw all marketing and public relations operations. Subsequently, as an Executive Officer of Hitachi Transport System, Ltd., she managed the company's overseas operations while also serving concurrently as a non-executive director at various domestic and international group companies, thereby gaining extensive experience in business development and management oversight both in Japan and abroad. We have determined that, by leveraging the above experience and knowledge gained from that experience, she is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as an independent Outside Director. We have therefore appointed her Director. We expect her to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective, independent of executive management responsible for business execution, as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.

Candidate's Name	Title	Reasons for Appointment and Expected Role
Shota Kondo	Director (Outside Director)	At Mitsubishi Corporation, Mr. Shota Kondo has held various positions including Head of the CEO Office of the Natural Gas Group and General Manager of the Corporate Strategy & Planning Department, with experience including an assignment in the US. He concurrently serves as CEO of the Smart-Life Creation (S.L.C.) Group. As he is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from a practical perspective as an Outside Director by leveraging his management experience at Mitsubishi Corporation and his insight into domestic and international business, we have reappointed him Director. Based on the above, we expect him to contribute to appropriate decision-making and supervision of overall management by the Board of Directors as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee. In addition, the Company's Board of Directors has determined that, in the event a proposal involving a conflict of interest between the Company and Mitsubishi Corporation is submitted, Mr. Kondo shall not participate in the deliberation or resolution of such matters. Mr. Kondo has also expressed his intention to perform his duties as a Director in the interest of the Company, rather than on behalf of any particular shareholder.
Yoshitaka Shiba	Director, Audit & Supervisory Committee Member	Based on his management experience as the Group CAO (chief audit officer) at a major Japanese financial institution, etc., Mr. Shiba has contributed to ensuring the soundness of the Company's management since June 2024 as a Director who is also an Audit & Supervisory Committee Member. As he is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors, and neutral and objective auditing by leveraging the above experience and knowledge, we have reappointed him Director, Audit & Supervisory Committee Member.
Hiroko Kaneko	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	Ms. Kaneko possesses advanced knowledge of accounting, auditing, etc. gained through her experience as a university professor researching accounting, auditing, disclosure, etc. and an accounting practitioner. She also has engaged in the development and improvement of systems for accounting, auditing, and internal control, and other initiatives as a member of the Business Accounting Council of the Financial Services Agency. Furthermore, she has experience supervising the operation and management of organizations, such as serving as a partner of major audit corporations and an outside director or outside auditor of listed companies. As she is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors, and neutral and objective auditing as an independent Outside Director by leveraging the above knowledge and experience, we have reappointed her Director, Audit & Supervisory Committee Member. We expect her to contribute to appropriate decision-making and supervision of overall management by the Board of Directors from an objective perspective, independent of executive management responsible for business execution, as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.

Candidate's Name	Title	Reasons for Appointment and Expected Role
Masayuki Saito	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	Mr. Saito served as General Manager of the Corporate Strategy & Planning Department, the president of a subsidiary covering the Asia region, and General Manager of the Finance Department, and assisted the President and CEO as Representative Director and Executive Vice President at DIC Corporation. He also has experience supervising the overall management of the DIC Group as Director and Chairman. As he is expected to contribute to appropriate decision-making and supervision of overall management by the Board of Directors, and neutral and objective auditing as an independent Outside Director by leveraging the above knowledge and experience, we have reappointed him Director, Audit & Supervisory Committee Member. We expect him to contribute to appropriate decision-making and supervision of overall management by the Board of Directors, and neutral and objective auditing from an objective perspective, independent of executive management responsible for business execution, as well as to the improvement of the soundness, transparency, and fairness of the management of the Company as a member of the Governance Committee, Nomination Committee, and Compensation Committee.
Kayoko Kawamura	Director, Audit & Supervisory Committee Member (Outside Director) (Independent Director)	Ms. Kawamura has experience and knowledge in digital transformation (DX), having held positions such as Systems Engineer and Head of Application Development for Financial Institutions at IBM Japan, Ltd., and was as Executive Officer at Teradata Japan, Ltd., where she was primarily responsible for supporting DX initiatives for client companies. We expect her to leverage the above-mentioned experience and knowledge to contribute to appropriate decision-making and supervision of overall management by the Board of Directors, and neutral and objective auditing as an independent Outside Director. We have therefore reappointed her Director, Audit & Supervisory Committee Member. We expect her to contribute to appropriate decision-making and supervision of overall management by the Board of Directors, and neutral and objective auditing from an objective perspective, independent of executive management responsible for business execution, as well as to the improvement of the soundness, transparency, and fairness of the Company's management as a member of the Governance Committee, Nomination Committee, and Compensation Committee.

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

(Repost of page 11)

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

[Outside Directors' Independence Judgment Criteria]

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

(1) A major shareholder (i.e., a shareholder holding 10% or more of the total voting rights) of MHC or an executive thereof[1]

(2) An executive of a lender of MHC that exceeds MHC's standard[2]

(3) An executive of a business partner of MHC that exceeds MHC's standard[3]

(4) A consultant, attorney-at-law, certified public accountant, or other person who provides professional services and who receives more than ¥10 million per fiscal year in monetary or other assets from MHC, excluding officers' compensation

(5) A representative partner or partner of MHC's Accounting Auditor

(6) A person who belongs to an association that receives donations from MHC exceeding a certain amount[4]

1. An executive refers to an executive director, executive officer, or other employee.
2. A lender that exceeds MHC's standard refers to a lender from whom the amount MHC has borrowed exceeds 2% of the consolidated total assets of MHC.
3. A business partner that exceeds MHC's standard refers to a business partner whose dealings with MHC have a value exceeding 2% of the consolidated revenues of MHC or of the relevant business partner.
4. Donations exceeding a certain amount refer to donations exceeding ¥10 million per fiscal year.

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

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

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

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

Information on Directors who have concurrent positions has been included in page 9 of Other Matters Subject to the Electronic Provision Measures for the 55th Annual General Meeting of Shareholders (Matters Omitted from Documents Delivered to Shareholders.)

https://www.mitsubishi-hc-capital.com/english/investors/stock/meeting.html

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

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

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

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

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

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

For the status of each committee's activities, please refer to [Status of Activities of the Board of Directors, Audit & Supervisory Committee, and Other Committees (Frequency of Meetings, Specific Discussion Items, Attendance of Directors and Committee Members, etc.)] (page 35).

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

1. Basic Policy

- MHC officers' compensation is designed to enhance corporate value over the medium to long term through the execution of business strategies, and is set at an appropriate level with respect to the roles and responsibilities of each officer by also taking market levels into consideration.
- Also taking into account incentives for officers, the ratio of fixed remuneration and variable compensation, key performance indicators (KPIs), and their respective weightings are appropriately determined.

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

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

2. Compensation System

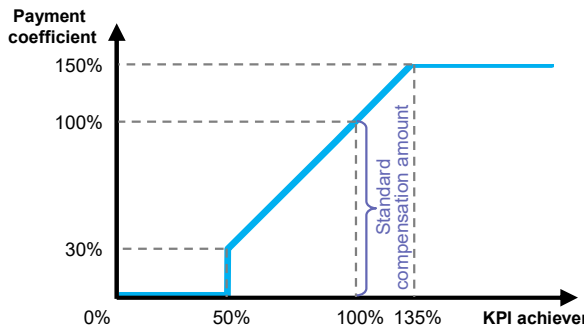
- In principle, Executive Directors' compensation, etc., consists of base remuneration, short-term incentive compensation (performance-based monetary compensation), and medium-to long-term incentive compensation (performance-based stock compensation). As short-term incentive compensation, cash is paid as a bonus, while medium-to long-term incentive compensation is paid in MHC's shares, etc. using a trust framework.
- To serve as an incentive to enhance corporate value over the medium to long term and business performance over the short term, the ratio of fixed remuneration (base remuneration) to variable compensation (bonus and stock compensation) is set at approximately 1:1 (the ratio of base remuneration to bonus to stock compensation is set at approximately 1:0.5:0.5).
- Bonuses and stock compensation, which represent incentive compensation, are not paid to non-executive Directors (excluding persons who are Audit & Supervisory Committee Members) from the standpoint of ensuring the effectiveness of their supervisory functions.

Compensation System for Executive Directors

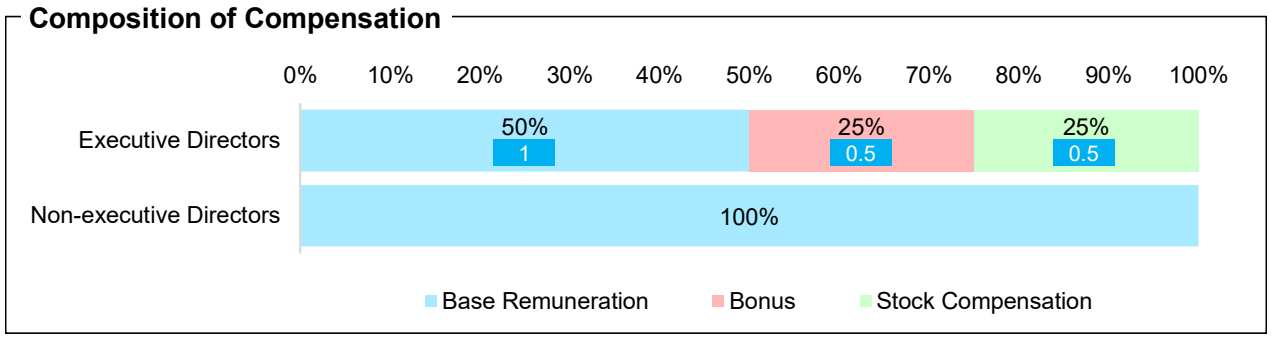
Type of Compensation		Details of Compensation	Percentage of Compensation	KPIs for Evaluation / Evaluation Weight			Range of Payment Coefficient Based on KPI Achievement
Fixed	Base Remuneration	■ Fixed remuneration according to position	50% 1	-			-
Variable	Bonus (Short-term Incentive) Performance-based	■ 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. The level of achievement of responsible duties is evaluated quantitatively and qualitatively from the perspective of performance and the level of contribution	25% 0.5	KPI \ Position	Representative Director	Other	0-150%
				ROE[1]	40%	28%	
				ROA[2]	30%	21%	
				Net Income Attributable to Owners of the Parent	30%	21%	
				Responsible Duties	-	30%	
	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	25% 0.5	ROE[1]	30%		0-150%
				ROA[2]	20%		
				Net Income Attributable to Owners of the Parent	20%		
				TSR against TOPIX Growth Rate[3]	10%		
				GHG Emissions vs. FY2019 (Scope 1, 2)[4]	10%		
				MHC Engagement[5]	10%		

1. Return on equity
2. Return on assets
3. Total shareholder return
4. The FY2028 target has been set as a milestone for achieving the FY2050 net-zero target, based on a constant linear decrease from the FY2024 result.
5. Percentage of organizations achieving a high score level in the employee engagement survey results (percentage of organizations where more than half of the respondents gained high scores for both initiative and diversity)

Bonus **Stock Compensation** **Overview of Changes in Payment Coefficient for Performance-based Compensation**



KPI Achievement Rate	Payment Amount (standard compensation amount × payment coefficient)
Less than 50%	0
50%	Standard compensation amount × 30%
100%	Standard compensation amount × 100%
135% or more	Standard compensation amount × 150%



① Fixed Compensation

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

② Variable Compensation

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

[Bonuses]

MHC has set KPIs for bonuses that are linked to the key targets of the MTMP.

From the perspective of enhancing our corporate value based on the value creation story, MHC has set the evaluation weights with greater emphasis placed on ROE and ROA than before.

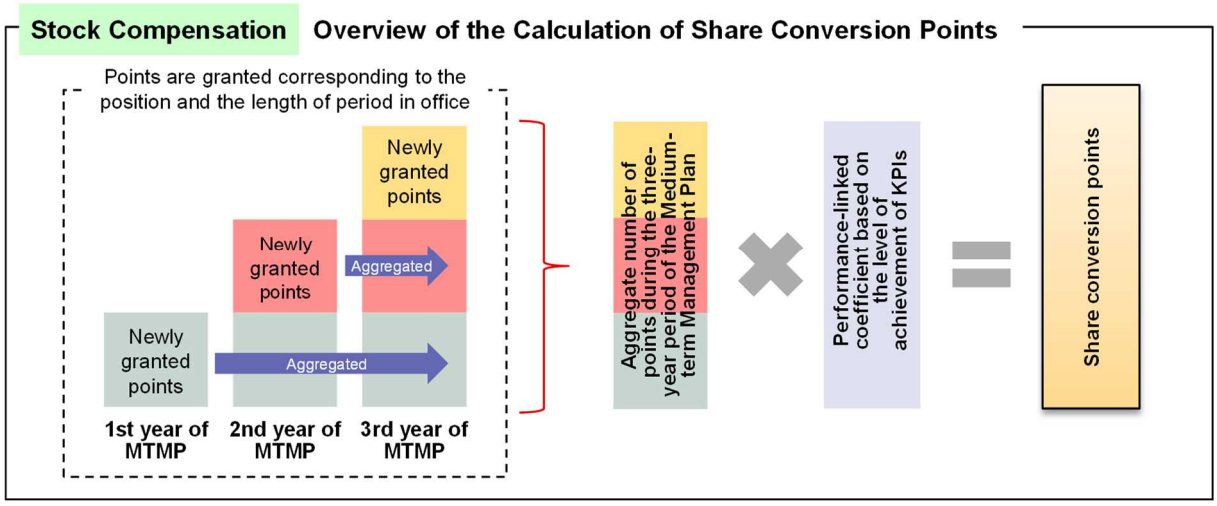
- (1) ROE, (2) ROA, and (3) net income attributable to owners of the parent, which have been set as MHC's numerical targets, are set as KPIs for the Company-wide performance evaluation.
- The bonuses of Representative Directors are fully linked to the Company-wide performance evaluation, while the bonuses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

[Stock Compensation]

As with bonuses, MHC has set KPIs for stock compensation that are linked to the key targets of the MTMP, with weights placing more emphasis on ROE and ROA than before. In addition, to enhance our corporate value over the medium to long term, we have newly introduced KPIs linked to the non-financial targets of the MTMP (environment and employee engagement).

- Specifically, KPIs for stock compensation are linked to the numerical targets set in the MTMP to enhance MHC's corporate value over the medium to long term—(1) ROE, (2) ROA, (3) net income attributable to owners of the parent, (4) TSR against TOPIX growth rate, (5) GHG emissions vs. FY2019 (Scope 1, 2), and (6) MHC engagement.
- By using a trust framework, MHC's shares, etc. corresponding to share conversion points, which are calculated using the following formula, are provided. Specifically, one share of MHC or a corresponding amount of cash per point is delivered. In principle, the portion of MHC's shares possessed in the trust are converted into cash value therein, and compensation is provided in the form of Company shares and cash at a ratio of 50:50.

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



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

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

③ Other Compensation

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

3. Timing and Conditions of Compensation Payment

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

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

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

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

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

[Measures to Ensure the Proper Performance of Delegated Authority]

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

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

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

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

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

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

Type of Compensation	Amount of Compensation, etc.	Date of Resolution at the General Meeting of Shareholders	Number of Relevant Directors at the Time of the Resolution at the General Meeting of Shareholders Becoming Effective[1]	Number of Relevant Directors as of June 25, 2026
Directors (excluding persons who are Audit & Supervisory Committee Members)				
Monetary compensation (total of base remuneration and bonus)	¥800 million / year	February 26, 2021	10	8
Outside Directors	¥100 million / year		3	3
Non-monetary compensation related to the provision of company housing	¥2 million / month		7 Excluding Outside Directors	0 (No relevant person)
Stock Compensation[2]			4 Excluding non-executive Directors and Directors not residing in Japan	4
Trust contribution amount	¥4,200 million during the relevant period ¥1,400 million / year[2]	June 25, 2026		
Number of shares delivered	4.65 million shares during the relevant period 1.55 million shares / year [2]	June 27, 2023		
Directors (Audit & Supervisory Committee Members)				
Monetary compensation (base remuneration)	¥200 million / year	February 26, 2021	5	4

1. The number of Directors (excluding persons who are Audit & Supervisory Committee Members) related to the amount of compensation, etc. is not specified.
2. Persons eligible for stock compensation include Executive Officers and other relevant officers (excluding those not residing in Japan).

IV Sustainability, Human Capital

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

1. Efforts on Sustainability

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

With this fundamental understanding, MHC established a Sustainability Committee as one of the advisory bodies to the Executive Committee. The Sustainability Committee is chaired by the Head of the Corporate & Strategic Planning Division, and its members comprise Executive Officers in charge of business departments and the Corporate Center, including the President & CEO. Aiming to lead and promote sustainability efforts in an integrated manner with management strategies, the committee implements a wide range of activities—including checking the progress of activities and the level of achievement of targets in non-financial areas, deliberating over new activities, and discussing non-financial indicators—and reports the results to the Executive Committee and the Board of Directors.

MHC has identified the materiality issues (page 28) as priority key challenges that must be addressed to achieve the sustainable development of the Group. The Basic Sustainability Policy consists of and integrates Our Mission, Our Vision, and the materiality. In light of the significance of these materiality issues, the Group will proceed with effective management and business activities aimed at solving the issues, such as by proceeding with the reduction of greenhouse gas emissions across the entire supply chain towards achieving a decarbonized society and eliminating the risk of human rights violation by using a human rights due diligence system.

Please refer to our website for details of our efforts on sustainability.

https://www.mitsubishi-hc-capital.com/english/sustainability/

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

(1) Views and Initiatives Related to Human Capital

① Basic Views on Human Capital

The MHC Group contributes to a prosperous and sustainable future by creating social value by maximizing the potential of assets. The key driver of value creation toward fulfilling this mission is our talent, which are an extremely important management asset of the Group.

We are driving initiatives to embed a corporate culture that prioritizes continuous, proactive investment in talent and a mindset geared toward transformation and challenge, in order to bring out and maximize the diverse values and capabilities of each employee, thereby supporting the sustainable enhancement of corporate value.

It should be noted that, to make it further explicit that our talent are the key driver of value creation, we have standardized our terminology to “talent” instead of “human resources” from the 2028 MTMP onward.

② Talent Strategy to Drive Management Strategies

The MHC Group positions talent as a key driver of value creation and, as part of Our FY2031 Vision, aims to become “a company that continues to evolve, where everyone takes on challenges, co-creates, and grows.”

As part of our strategy to transform talent and culture and achieve our vision, we are working to create an environment that facilitates challenge and transformation. Specifically, we identify challenges in each organization and take necessary measures based on analysis using our proprietary indicator, MHC engagement. We will also strategically assign the right talent to positions required to drive our management strategies by securing, developing, and assigning talent in an integrated manner. We will drive the growth of our talent by enabling them to gain experience in these positions, thereby increasing the talent portfolio coverage ratio toward achieving our vision. In addition, we are proactively investing in initiatives to enhance our talent, including strengthening our recruitment capabilities and talent development, in order to attract diverse talent and enable them to demonstrate their potential.

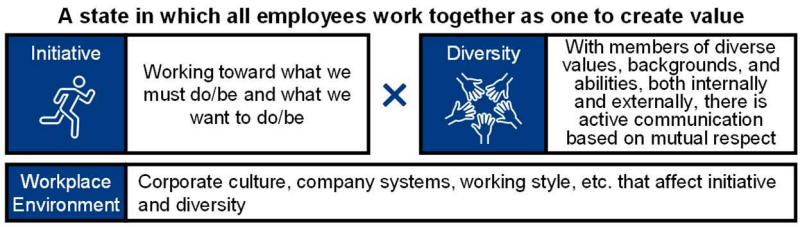
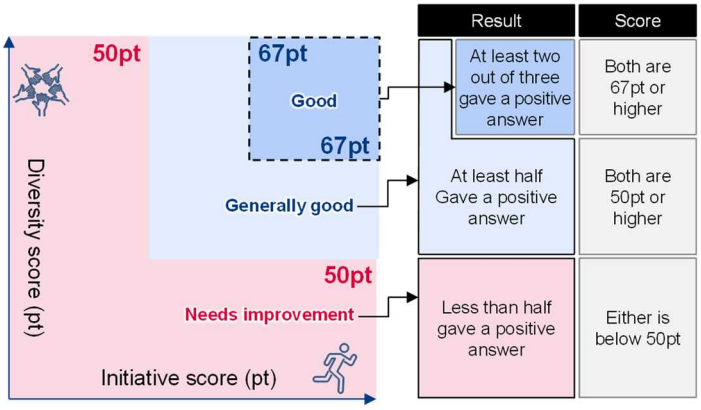
Through these initiatives, we will encourage each employee to take on challenges, co-create, and grow, thereby driving the MHC Group’s talent and culture transformation.

③ Indicators and Targets

We have set MHC engagement, talent portfolio coverage ratio, and investment in talent acquisition and development as key indicators of the talent strategy, and set targets for each of them.

a. MHC Engagement

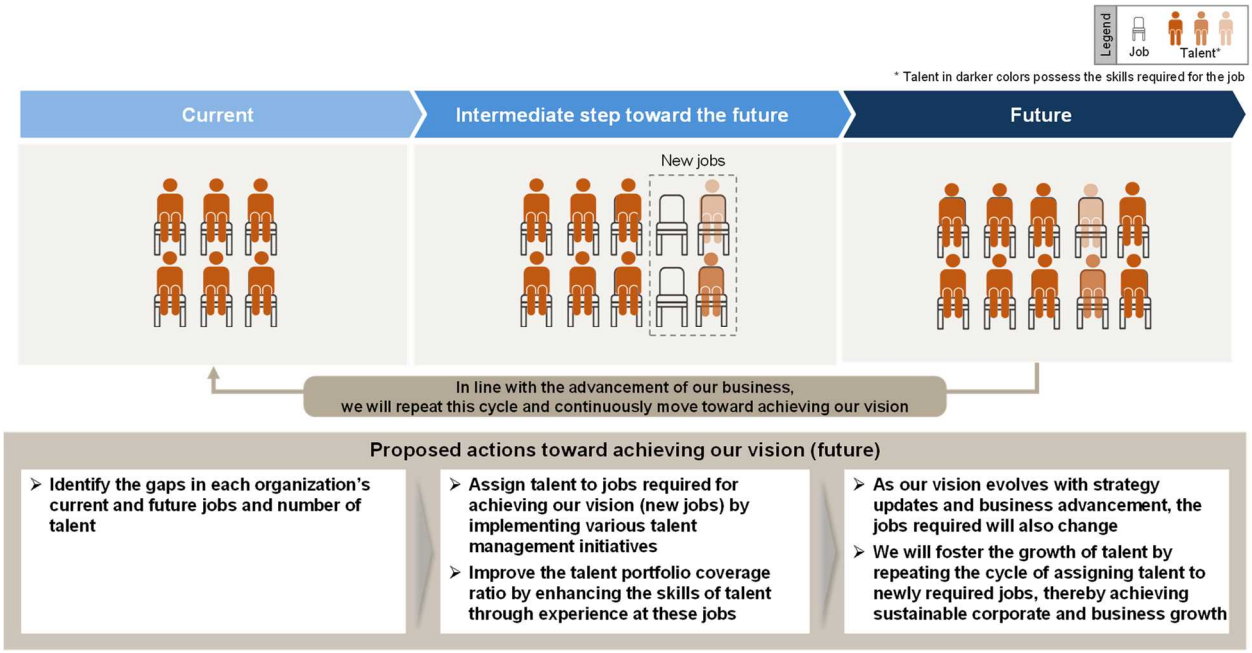
Definition	A state in which all employees work together as one to create value as having a high level of MHC engagement. MHC engagement is composed of the three elements of initiative and diversity, both of which indicate the level of action, and a positive workplace environment, which influences initiative and diversity.

	 · Good: Scores of initiative and diversity are both 67 points or higher (at least two out of three respondents gave a positive answer). · Generally good: Scores are both 50 points or higher (at least half of the respondents gave a positive answer). · Needs improvement: Either is below 50 points. Organizations in a “good” or “generally good” state are assessed as having a high level of MHC engagement. 
Target	FY2028 MHC engagement: 75% or higher (on a consolidated basis) (The percentage of organizations that are in a “good” or “generally good” state) <Key initiatives> · Hold workshops based on the survey results of each department · Analyze challenges by combining survey results with other HR data · Analyze early warning signs of declines in MHC engagement
Initiatives and Their Results in FY2025	· Analyze trends in initiative and diversity scores by comparing year-on-year changes · Develop a model to analyze the relationship between initiative/diversity and question categories Percentage of organizations that are in a “good” or “generally good” state (on a consolidated basis) FY2025: 73% FY2024: 70%

b. Talent Portfolio Coverage Ratio

Definition	The percentage of positions required to execute management strategies that are filled with appropriate talent
Target	The talent portfolio coverage ratio for FY2028: 80% or higher (on a non-consolidated basis) <Key initiatives> Secure, develop, and assign talent capable of fulfilling positions required to execute management strategies
Initiatives and Their Results in FY2025	· Visualize job information · Visualize talent information (including personality traits and skill levels)

<Illustrative Image of Talent Portfolio Transformation>



C. Investment in Talent Acquisition and Development

Definition	Amount of investment in enhancing recruitment capabilities and talent development
Target	FY2028 Increasing investment in talent acquisition and development by at least 50% (non-consolidated) (compared to the FY2025 result) <Key initiatives> ・ Implement initiatives to enhance the MHC's corporate brand and employer brand ・ Implement DX assessment targeting all employees and initiatives to improve digital literacy targeting designated employees ・ Implement training programs to drive leadership transformation ・ Expand trainee dispatch programs to develop global talent ・ Implement coaching and assessment initiatives to develop management talent
Initiatives and Their Results in FY2025	Investment in talent acquisition and development: approx. ¥650 million

(2) Intellectual Property Strategy

MHC is also enhancing the use of computerized information (software and databases), innovative property (R&D and licenses), economic competency (talent and organization) and other intangible assets, regarding them as important for sustainable growth. Setting the digital strategy as one of the four key elements of the 2028 MTMP, we seek to enhance our existing businesses by improving sales efficiency and increasing earnings opportunities through the use of generative AI and other tools, and by improving profitability through the use of asset and other data. We are also driving the creation of new businesses through initiatives such as the phased expansion of digital solution offerings and enhanced collaboration with partners. In addition, we are working to improve productivity by leveraging AI and other technology and by fundamentally overhauling business processes. Concurrently, we will continue efforts to solidify and strengthen digital foundations by enhancing our management infrastructure through the establishment of a data-driven management framework and other initiatives, as well as by embedding digital-related training programs in our employee education system to develop talent who are positive about creating innovation and digitalization.

Please refer to our website for details of the MTMP.

https://www.mitsubishi-hc-capital.com/english/investors/plan.html

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

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

MHC will address information disclosure in line with the four thematic areas (governance, strategy, risk management, and metrics and targets) of the TCFD recommendations to enhance disclosure regarding climate change. At the same time, it will promote environmental awareness through customers' businesses and efforts to reduce greenhouse gas emissions of the Group. For details, please refer to our Annual Securities Report for the 55th Fiscal Year ("Addressing Climate Change" on page 16).

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

https://www.mitsubishi-hc-capital.com/english/sustainability/environment/carbon_neutral/

		Medium Term (to FY2028)	Long Term (to FY2050)
GHG emissions reduction targets (Scope 1, 2)		67% reduction compared to FY2019*	Net zero

* Based on the FY2024 result (61% reduction), we have set the FY2028 target on a linear trajectory toward achieving net zero by FY2050.

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

[Views on Ensuring Diversity]

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

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

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

https://www.mitsubishi-hc-capital.com/english/sustainability/social/employees_and_families.html

<Women>

We have formulated an action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace and strive to promote women's success. We have introduced systems that encourage the long-term employment of women and support their career development through rank-based training, dispatch to external training, and other opportunities. The percentage of female managers as of March 31, 2026 is 22.1% (non-consolidated basis).

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

<Foreign Employees>

MHC continues hiring activities not bound by nationality, and there are 27 foreign employees (non-consolidated basis) as of March 31, 2026.

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

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

Meanwhile, local talent accounts for about 50% of the top management positions of overseas Group companies as of March 31, 2026. MHC continues the appointment of foreign employees aiming to realize strategic management based on the characteristics of each country and region.

<Mid-career Hiring>

Mid-career hires account for about 30% of the managerial positions of MHC (non-consolidated basis) as of March 31, 2026. MHC has recruited and hired persons with necessary attributes and capabilities according to the business environment, regardless of past career. To advance the *evolution and layering of business models* as announced in the Medium-term Management Plan, we engage in mid-career recruitment that cast a wider net to attract not only experienced professionals as immediate contributors from the industries in which the Group operates, but also talent with skills and abilities who have the potential to contribute in each business field of the Group in the future. We are promoting the recruitment of diverse talent by enhancing our recruitment schemes such as employee referrals, a comeback program to re-hire employees who have resigned in the past, and direct sourcing through which MHC scouts talent.

On the development front, aiming to advance the sophistication and globalization of our business, we have established a development support system that provides employees with opportunities to attend external seminars and acquire professional qualifications, thereby developing highly specialized skills required in each domain. We are also making efforts to develop leaders with a view to promoting them to managerial positions.

V Relationships with Stakeholders

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

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

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

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

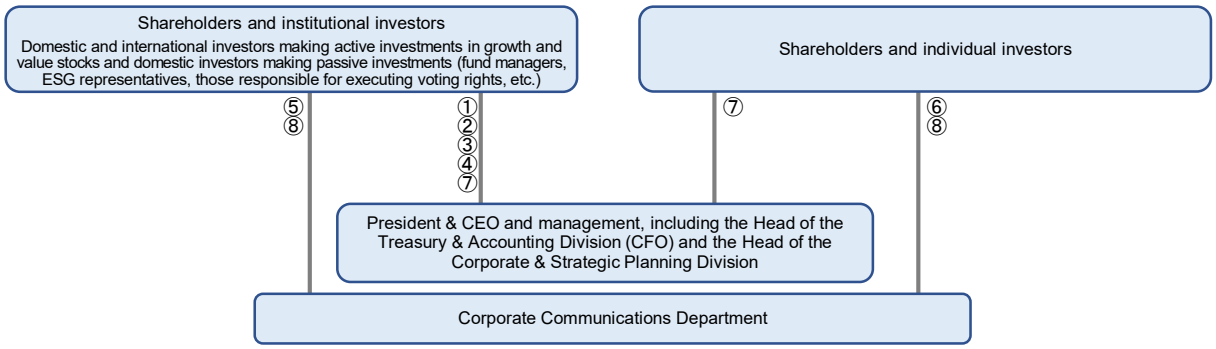
Opinions and concerns expressed in the dialogue with shareholders are promptly reported to MHC's management. In addition, those are regularly reported to the Board of Directors so that the information is shared with independent Outside Directors as well. MHC appropriately and carefully manages insider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

https://www.mitsubishi-hc-capital.com/english/investors/policy.html

[Status of Dialogues with Shareholders, etc.]

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

   As described in MHC's policy regarding constructive dialogues with shareholders, members of MHC's management including the President & CEO, as well as the Corporate Communications Department, often engage in these dialogues with its shareholders and investors. The following are the major initiatives undertaken in FY2025.



[Major Initiatives in FY2025]

	Description	Major Persons in Charge at MHC
①	Financial results briefings (Question and answer sessions with shareholders and institutional investors)	President & CEO, Head of Treasury & Accounting Division (CFO)
②	Individual interviews between management and domestic and international shareholders and institutional investors	President & CEO, Head of Treasury & Accounting Division (CFO), Head of Corporate & Strategic Planning Division
③	Participation in various conferences held by securities companies (Interviews with domestic and international shareholders and institutional investors)	President & CEO, Head of Treasury & Accounting Division (CFO), Head of Corporate & Strategic Planning Division
④	Business Segment Meetings	Heads of business divisions (Executive Officers), Head of Corporate & Strategic Planning Division
⑤	Individual interviews with domestic and international shareholders and institutional investors conducted by departments in charge of IR and SR	Corporate Communications Department
⑥	Exhibitions at IR events targeting individual shareholders and investors	Corporate Communications Department
⑦	General meeting of shareholders	President & CEO and management (inside Directors, Outside Directors, Executive Officers, etc.)
⑧	Response to inquiries from shareholders and investors	Corporate Communications Department

2. Major Themes of Dialogues

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

- Growth strategies to enhance ROE over the medium to long term
- Financial strategies including shareholder return and other capital allocation policies
- Initiatives for *the evolution and layering of business models* and their progress
- The business portfolio we are aiming for with our business portfolio transformation

3. Items Introduced in Light of the Dialogues

In light of the dialogues with shareholders and investors, MHC disclosed its growth strategies to enhance ROE under the 2028 MTMP, including business strategies such as *the evolution and layering of business models 2.0* and business portfolio restructuring, as well as financial strategies including shareholder return and other capital allocation policies. Through this effort, MHC helped enhance shareholders' and investors' understanding of its business.

4. Status of Feedback to Management and the Board of Directors

In September 2025 and April 2026, updates on the status of dialogues with shareholders and investors were provided to the Executive Committee and the Board of Directors.

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

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

- The Compliance Manual, which compiles the basic policies for promoting compliance by the Group, clearly prohibits transactions that constitute conflicts of interest and preferential transactions.
- When a transaction takes place between MHC and its officers or Audit & Supervisory Committee Members, the appropriateness of the terms of the transaction, as well as the method of determination thereof, are deliberated in advance at meetings of the Board of Directors before a decision is made.
- In view of the importance of MHC offering credit to major shareholders and to its subsidiaries, when the amount of credit exceeds a certain percentage of their total assets, based on the internal rules, the appropriateness of the amount of the credit offering, as well as the method of determination thereof, are deliberated in advance at meetings of the Board of Directors before a decision is made regarding such credit offering.

■ Regarding deliberations and resolutions of the Board of Directors concerning transactions between MHC and a company in which an MHC Director concurrently serves as an officer, the fairness of the deliberations is guaranteed by requesting such Director to recuse from participating in them.

■ Audit & Supervisory Committee Members and the Accounting Auditor audit the status of transactions between related parties.

VI Other

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

1. Policies for Cross-shareholdings

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

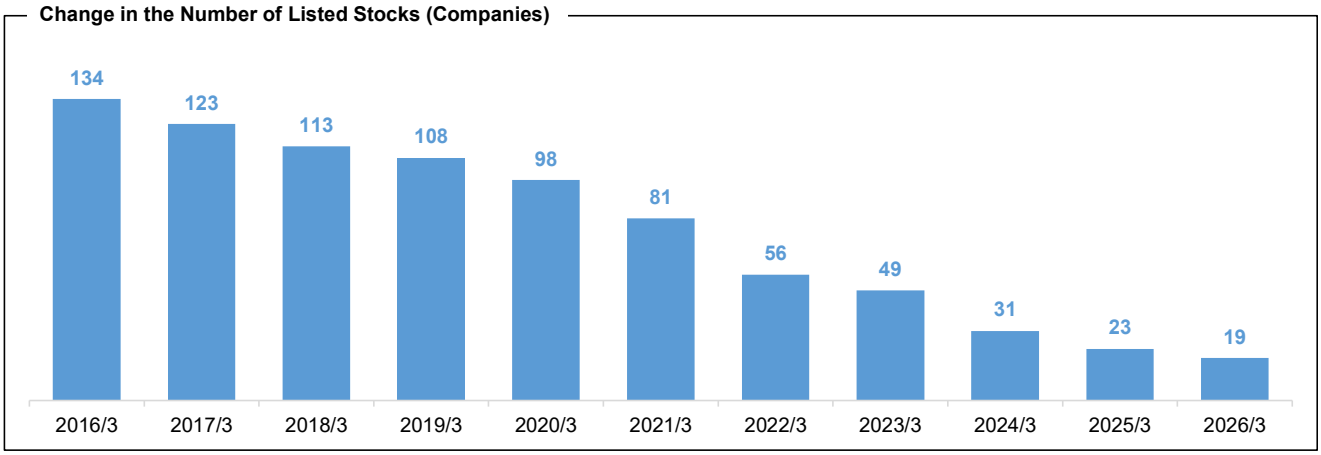
① Developing stable and long-term relationships with business partners and promoting business

② Strengthening such relationships based on capital and business alliances, and creating new business opportunities

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

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

The change in the number of listed stocks held since March 31, 2016 is as follows. The number decreased from 134 to 19 as of March 31, 2026.



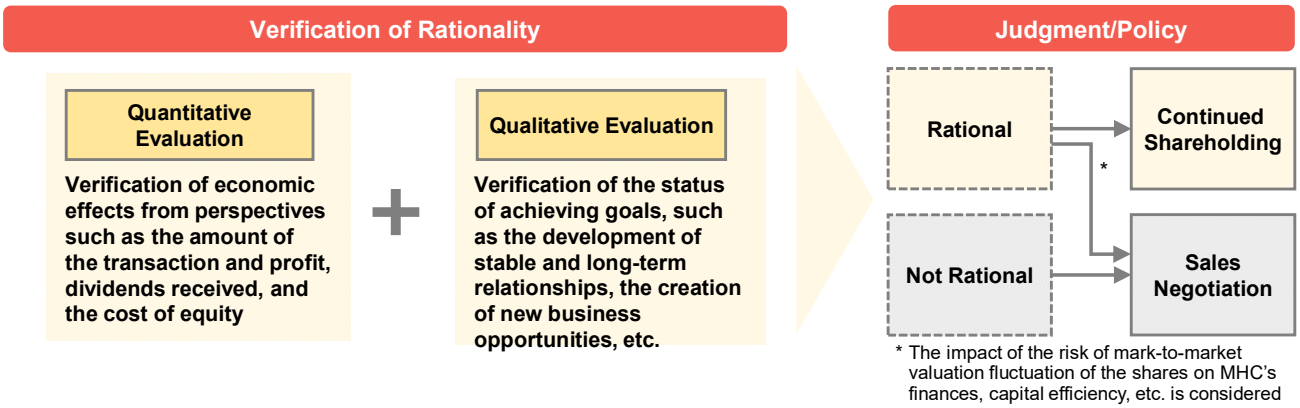
Note: The numbers for March 2016 to March 2021 are the totals of those from the former Mitsubishi UFJ Lease & Finance and Hitachi Capital.
The numbers for March 2017 to March 2021 do not include the numbers of stocks cross-held by both companies.

2. Method for Verifying the Rationality of Cross-shareholdings

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

① A quantitative evaluation based on factors including the amounts of business transactions and profits, dividends received, and the cost of equity.

② A qualitative evaluation of the business activities to date and potential business opportunities in the future



3. Verification of Rationality by the Board of Directors

The Board of Directors examined the listed stock using the method outlined in 2. above at the Board of Directors meeting held in FY2025.

4. Basis for Exercising Voting Rights

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

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

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

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

MHC has established the system below to fulfill the functions expected of an asset owner of a corporate pension fund.

- The pension system is operated through appropriate asset allocation by defining a policy asset mix (an asset allocation plan for the entire pension system to be formulated on a medium- to long-term basis) of pension assets in order to secure long-term returns, with the aim of ensuring asset management that secures a stable source of benefits in the future.
- MHC established the Basic Policy Concerning the Management of Pension Assets to address conflicts of interest between the beneficiaries of the corporate pension plan (employees) and MHC, with a view toward maximizing the interests of beneficiaries.

  In particular, it conducts appropriate decision-making in consideration of (1) rigorous evaluations of the asset management institution based on evaluations by a specialized body on "qualitative evaluation primarily of business operations, reputation in society, and investment policies (stewardship code, policy on ESG initiatives, etc.)" and (2) the opinions of the Asset Management Committee.
- Those who engage in asset management develop knowledge by participating in training sessions and seminars conducted by the asset management institution and other organizations.

[List of Disclosures Based on the Corporate Governance Code]

: Principles subject to disclosure requirements

Corporate Governance Code			Status		Relevant Pages of this Report or Links to MHC's Website
Basic Principles	Principles	Supplementary Principles	Compliance	Explanation	
Chapter 1 Securing the Rights and Equal Treatment of Shareholders					
	1-1. Rights Protection of Shareholders	-	●		(Page 16 of this report) III Implementation of Measures for Shareholders and Other Stakeholder
		1-1①	●		
		1-1②	●		
		1-1③	●		
	1-2. Exercise of Shareholder Rights at General Shareholder Meetings	-	●		(Page 16 of this report) 1. Measures to Vitalize the General Meetings of Shareholders and Ensure the Smooth Exercise of Voting Rights
		1-2①	●		
		1-2②	●		
		1-2③	●		
		1-2④	●		
		1-2⑤	●		
	1-3. Basic Strategy for Capital Policy	-	●		Medium-term Management Plan: https://contents.xj-storage.jp/xcontents/AS03685/870b13ab/5788/4839/a90c/b6e99066d484/20260417120528015s.pdf
	1-4. Cross-Shareholdings	-	●		(Page 55 of this report) VI-1. Policies for Cross-shareholdings and Basis for Exercising Voting Rights
		1-4①	●		
		1-4②	●		
	1-5. Anti-takeover Measures	-	●		
		1-5①	●		
	1-6. Capital Policy that May Harm Shareholder Interests	-	●		
	1-7. Related-party Transactions	-	●		(Page 54 of this report) V-2. Procedures for Approving Related-party Transactions
Chapter 2 Appropriate Cooperation with Stakeholders other than Shareholders					
	2-1. Business Principles as the Foundation of Corporate Value Creation over the Mid- to Long-Term	-	●		Basic Management Policy (Our Mission, Our Vision): https://www.mitsubishi-hc-capital.com/english/corporate/idea.html Medium-term Management Plan: https://contents.xj-storage.jp/xcontents/AS03685/870b13ab/5788/4839/a90c/b6e99066d484/20260417120528015s.pdf
	2-2. Code of Conduct	-	●		Basic Management Plan (Action Principles): https://www.mitsubishi-hc-capital.com/english/corporate/idea.html Medium-term Management Plan: https://contents.xj-storage.jp/xcontents/AS03685/870b13ab/5788/4839/a90c/b6e99066d484/20260417120528015s.pdf Mitsubishi HC Capital Group Code of Ethics and Code of Conduct: https://www.mitsubishi-hc-capital.com/english/sustainability/pdf/ethics.pdf
		2-2①	●		Compliance: https://www.mitsubishi-hc-capital.com/english/sustainability/governance/compliance.html Mitsubishi HC Capital Group Code of Ethics and Code of Conduct: https://www.mitsubishi-hc-capital.com/english/sustainability/pdf/ethics.pdf

Corporate Governance Code				Status		Relevant Pages of this Report or Links to MHC's Website
Basic Principles	Principles		Supplementary Principles	Compliance	Explanation	
	2-3.	Sustainability Issues, Including Social and Environmental Matters	-	●		(Page 48 of this report) IV-1 Actions on Sustainability and Investment in Human Capital and Intellectual Property, etc.
			2-3①	●		
	2-4.	Ensuring Diversity, Including Active Participation of Women	-	●		Diversity, Equity, Inclusion, and Belonging (DEIB) Initiatives: https://www.mitsubishi-hc-capital.com/english/sustainability/social/employees_and_families.html
			2-4①	●		(Page 52 of this report) IV-2 Ensuring Diversity in Key Personnel within the Organization
	2-5.	Whistleblowing	-	●		Whistleblowing System: https://www.mitsubishi-hc-capital.com/english/sustainability/governance/compliance.html
			2-5①	●		
	2-6.	Roles of Corporate Pension Funds as Asset Owners	-	●		(Page 56 of this report) VI-2 Roles of Corporate Pension Funds as Asset Owners
Chapter 3 Ensuring Appropriate Information Disclosure and Transparency						
	3-1.	Full Disclosure	-	●		Information Disclosure Policy: https://www.mitsubishi-hc-capital.com/english/sustainability/pdf/disclosure.pdf
			(i)	●		(Page 27 of this report) I-1 Basic Management Policy (Our Mission, Our Vision, and Action Principles), Materiality (Page 28) I-2 Value Creation Story, Our FY2031 Vision, Medium-term Management Plan
			(ii)	●		(Page 29 of this report) I-3 Basic Views and Policies on Corporate Governance
			(iii)	●		(Page 43 of this report) III-6 Policies and Procedures for Determining Compensation of Directors and Management
			(iv)	●		(Page 39 of this report) III-1 Policies and Procedures for Appointment and Dismissal of Directors
			(v)	●		(Page 39 of this report) III-2 Reasons for Appointment, Dismissal, and Nomination of Directors
			3-1①	●		
			3-1②	●		English website: https://www.mitsubishi-hc-capital.com/english/
			3-1③	●		(Page 48 of this report) IV-1 Actions on Sustainability and Investment in Human Capital and Intellectual Property, etc.
	3-2.	External Auditors	-	●		
			3-2①	●		(Page 32 of this report) II-3 Overview of Each Organization, Status of Activities, etc.
			3-2②	●		(Page 9 of this report) [Audit & Supervisory Committee] (Page 32 of this report) II-3 Overview of Each Organization, Status of Activities, etc.
Chapter 4 Responsibilities of the Board						
	4-1.	Roles and Responsibilities of the Board (1)	-	●		
			4-1①	●		(Page 29 of this report) II-1 Scope of Delegation to Management
			4-1②	●		Medium-term Management Plan: https://contents.xj-storage.jp/xcontents/AS03685/870b13ab/5788/4839/a90c/b6e99066d484/20260417120528015s.pdf
			4-1③	●		

Corporate Governance Code				Status		Relevant Pages of this Report or Links to MHC's Website
Basic Principles	Principles		Supplementary Principles	Compliance	Explanation	
	4-2.	Roles and Responsibilities of the Board (2)	-	●		(Page 12 of this report) [Incentives]
			4-2①	●		(Page 43 of this report) III-6 Policies and Procedures for Determining Compensation of Directors and Management
			4-2②	●		(Page 48 of this report) IV-1 Actions on Sustainability and Investment in Human Capital and Intellectual Property, etc.
	4-3.	Roles and Responsibilities of the Board (3)	-	●		(Page 19 of this report) 1. Basic Views on the Internal Control System and the Progress of System Development (Page 24 of this report) 2. Other Matters Concerning the Corporate Governance Framework, etc. (Page 39 of this report) III-1 Policies and Procedures for Appointment and Dismissal of Directors (Page 54 of this report) V-2 Procedures for Approving Related-party Transactions Risk Management: https://www.mitsubishi-hc-capital.com/english/sustainability/governance/risk_management.html
			4-3①	●		(Page 39 of this report) III-1 Policies and Procedures for Appointment and Dismissal of Directors
			4-3②	●		
			4-3③	●		(Page 39 of this report) III-1 Policies and Procedures for Appointment and Dismissal of Directors
			4-3④	●		(Page 19 of this report) 1. Basic Views on the Internal Control System and the Progress of System Development (Page 33 of this report) 4. Status of Audits
	4-4.	Roles and Responsibilities of Auditors and the Board of Auditors	-	●		(Page 33 of this report) 4. Status of Audits
			4-4①	●		
	4-5.	Fiduciary Responsibilities of Directors and Auditors	-	●		
	4-6.	Business Execution and Oversight of the Management	-	●		(Page 11 of this report) [Independent Directors] (Page 30 of this report) II-2 Views on the Appropriate Balance of Knowledge, Experience and Skills, Diversity, and Size of the Board of Directors as a Whole
	4-7.	Roles and Responsibilities of Independent Directors	-	●		
	4-8.	Effective Use of Independent Directors	-	●		(Page 30 of this report) II-2 Views on the Appropriate Balance of Knowledge, Experience and Skills, Diversity, and Size of the Board of Directors as a Whole
			4-8①	●		(Page 32 of this report) 1. Matters Concerning the Board of Directors
			4-8②	●		(Page 14 of this report) [Supporting System for Outside Directors (Outside Audit & Supervisory Committee Members)]
			4-8③	-		Not applicable to MHC
	4-9.	Independence Standards and Qualification for Independent Directors	-	●		(Page 42 of this report) III-3 Outside Directors' Independence Judgment Criteria

Corporate Governance Code				Status		Relevant Pages of this Report or Links to MHC's Website	
Basic Principles	Principles		Supplementary Principles	Compliance	Explanation		
	4-10.	Use of Optional Approach	-	●		(Page 11 of this report) (Page 43 of this report)	[Voluntary Establishment of Committees] III-5 Establishment of Independent Nomination Committee and Compensation Committee
			4-10①	●			
	4-11.	Preconditions for Board, and Board of Auditors Effectiveness	-	●		(Page 30 of this report)	II-2 Views on the Appropriate Balance of Knowledge, Experience and Skills, Diversity, and Size of the Board of Directors as a Whole
			4-11①	●			
			4-11②	●		(Page 43 of this report)	III-4 Information on Outside Directors Who Have Concurrent Posts
			4-11③	●		(Page 37 of this report)	II-4 Overview and Results of Analysis and Assessment of the Effectiveness of the Board of Directors
	4-12.	Active Board Deliberations	-	●			
			4-12①	●		(Page 14 of this report)	[Supporting System for Outside Directors (Outside Audit & Supervisory Committee Members)]
	4-13.	Information Gathering and Support Structure	-	●		(Page 14 of this report)	[Supporting System for Outside Directors (Outside Audit & Supervisory Committee Members)]
			4-13①	●		(Page 10 of this report)	Cooperation among the Audit & Supervisory Committee, Accounting Auditor, and Internal Audit Department
			4-13②	●		(Page 19 of this report)	1. Basic Views on the Internal Control System and the Progress of System Development
			4-13③	●		(Page 33 of this report)	4. Status of Audits
	4-14.	Director and Auditors Training	-	●		(Page 38 of this report)	II-5 Training Policy for Directors
			4-14①	●			
			4-14②	●			
Chapter 4 Responsibilities of the Board							
	5-1.	Policy for Constructive Dialogue with Shareholders	-	●		(Page 53 of this report)	V-1 Policies for the Establishment of Systems and Efforts for Promoting Constructive Dialogue with Stakeholders
			5-1①	●			
			5-1②	●			
			5-1③	●			
	5-2.	Establishing and Disclosing Business Strategies and Business Plans	-	●		Medium-term Management Plan: (https://contents.xj-storage.jp/xcontents/AS03685/870b13ab/5788/4839/a90c/b6e99066d484/20260417120528015s.pdf) (Page 28 of this report) I-2 Value Creation Story, Our FY2031 Vision, Medium-term Management Plan	
			5-2①	●			