

## 1

## Mitsubishi HC Capital Inc.

	<b>Companies' approach</b>
<b>① Background and purpose of accounting</b>	<ul style="list-style-type: none"> <li>• Background: Regarding environmental issues, Mitsubishi HC Capital Group set Environment Policy and promote our unique and advance business with conscious global environment to solve social issues.</li> <li>• Purpose of accounting: To clarify the Company's own risks and opportunities against Climate Change and set Mid- and Long-term target to reduce group global total CO2 emissions.</li> </ul>
<b>② Utilization of accounting results</b>	<ul style="list-style-type: none"> <li>• Clarify the priority of category to reduce CO2 emissions.</li> <li>• Expand the scope of information disclosure that satisfied with TCFD recommendations</li> </ul>
<b>③ Benefits of accounting</b>	<ul style="list-style-type: none"> <li>• Clarify the social contribution volume to reduce CO2 emissions.</li> </ul>
<b>④ Internal system for accounting</b>	<ul style="list-style-type: none"> <li>• Calculated by Management Office of Sustainable Committee with related business sector and financial sector with excel spreadsheet.</li> <li>• Plan to Using IT system after identify how to calculate in globally and third-party verification.</li> </ul>

## 2

## Mitsubishi HC Capital Inc.

	Companies' approach
⑤ <b>Efforts to reduce supply chain emissions</b>	<ul style="list-style-type: none"> <li>• Category 2 (Capital Goods) Improve the burden with collaborating equipment suppliers.</li> <li>• Category 7(Employee commuting): Promoting to reduce via remote office as a part of work life innovation.</li> </ul>
⑥ <b>Issues in supply chain emissions accounting</b>	<ul style="list-style-type: none"> <li>• Out of scope for Regarding Category 13 (Leasing assets downstream): is not calculated, as this category is supposed to be selected by customers, making it difficult for the Group to exert an impact on the volume of or reduction in emissions and gathering necessary data is therefore inherently hard.</li> <li>• Consistency of overseas status quo of waste generated in operations, business travel. And employee commuting.</li> </ul>
⑦ <b>Other</b>	<ul style="list-style-type: none"> <li>• Establish global EMS with the environmental related information fundamentals to realize reliably to reduce environmental burden and achieve the target.</li> </ul>

## 3

## Mitsubishi HC Capital Inc.

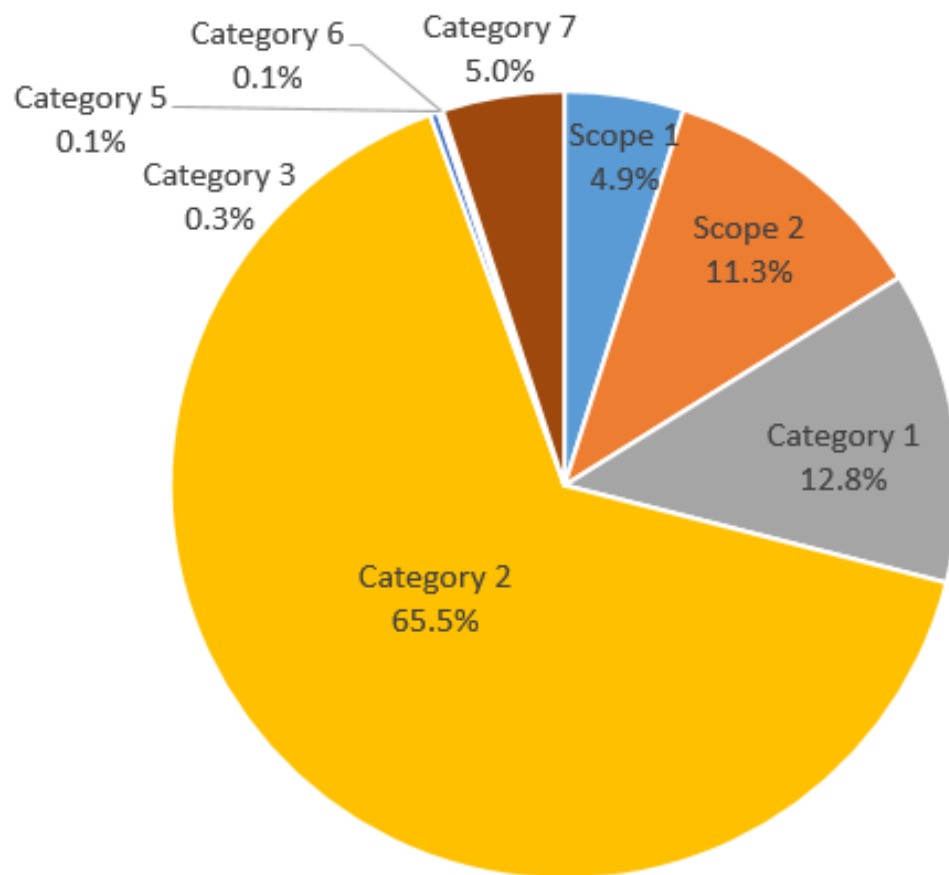
Category	Accounting methods ※Accounting period : April 2020 - March 2021	
	Activity data	Emission factor
Category 1: Purchased goods and services	<ul style="list-style-type: none"> <li>Use of paper</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor based on inter industry table (with paper volume)</li> </ul>
Category 2: Capital goods	<ul style="list-style-type: none"> <li>Fiscal capital goods price of equipment related to solar/wind power generation system</li> <li>Fiscal capital goods price of other internal office equipment</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor for capital goods price</li> </ul>
Category 3: Fuel and energy related activities not included in Scope 1 or 2	<ul style="list-style-type: none"> <li>Volume of energy usage</li> </ul>	<ul style="list-style-type: none"> <li>CFP Communication Program Basic Database</li> </ul>
Category 5: Waste generated in operations	<ul style="list-style-type: none"> <li>Volume of waste per its category/treatment</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor based on category and waste</li> </ul>
Category 6: Business travel	<ul style="list-style-type: none"> <li>The number of employees</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor based on the number of employees</li> </ul>
Category 7: Employee commuting	<ul style="list-style-type: none"> <li>The number/total working day of employees in each region</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor of employees total working hours based on commuting area and working style</li> </ul>
Category 15: Investments	<ul style="list-style-type: none"> <li>Floor are of invested building</li> </ul>	<ul style="list-style-type: none"> <li>Emission factor based on invested of purpose of building and floor area</li> </ul>

## 4

## Mitsubishi HC Capital Inc.

## Supply chain emissions : Accounting results

## ● Supply chain emissions



Category	Volume of CO <sub>2</sub> Emission (t-CO <sub>2</sub> e)
Scope 1	2,993
Scope 2	6,895
Category 1: Purchased goods and services	7,844
Category 2: Capital goods	40,075
Category 3: Fuel and energy related activities not included in Scope 1 or 2	210
Category 5: Waste generated in operations	73
Category 6: Business travel	48
Category 7: Employee commuting	3,062