



Novuna[®]

Company overview

- Mitsubishi HC Capital UK PLC is a UK based non-bank financial services company, authorised and regulated by the Financial Conduct Authority (“FCA”).
- We are a subsidiary of Mitsubishi HC Capital Inc. and hence part of one of the world’s largest and most diversified financial groups (MUFG).
- We work with consumers and small to medium enterprises (“SME”s) as well as corporate multinationals in the UK and mainland Europe, providing innovative finance solutions to enable consumers and businesses to grow and prosper.
- For over 40 years, formerly as Hitachi Credit and Hitachi Capital, the Company has provided finance to enable consumers and businesses to achieve their ambitions.
- On 14 February 2022 we formally changed our name from Hitachi Capital (UK) PLC to Mitsubishi HC Capital UK PLC, and launched a new trading style in the market - Novuna - which is the primary brand used across the business. The exception is our European division, which trades under the Mitsubishi brand in both the UK and European markets, reflecting the partnership with our parent company

FY23 Results



160.8m

Profit before tax
(Profit before the payment corporation tax)



23.7%

Rise in profit compared to 2021/22



£7.6bn

Net Earning Assets
(income-producing investments / assets)



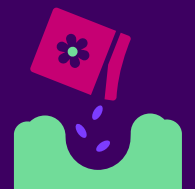
£4.5bn

Volume of new business



2.1%

Pre-Tax Return on total assets
(ratio that measures the amount of profit before interest and tax (PBIT) relative to total net assets)



11.1%

Post-Tax Return on Equity
(Use of shareholders' equity to generate profits, i.e. creating value for shareholders)

We're one of the UK's leading financial services companies, powering the aspirations of over a million customers every day.

Across five business divisions: Consumer Finance, Vehicle Solutions, Business Finance, Business Cash Flow and European Vendor Finance, we focus on delivering innovative solutions that enable our customers to realise their ambitions.



Putting the customer at the heart of everything we do defines the way we work together. It's one of the reasons we've been voted one of the best finance companies in the UK by our customers and industry. This is what drives our performance.

Our Company



2,248 employees

We employ 2,248 people across six business divisions in the UK and Europe



1.3m

We have nearly 1.3 million customers, providing innovative finance solutions to enable consumers and businesses to grow and prosper



96% electric/hybrid company car fleet

Electric/hybrid vehicles account for 96% of our company car fleet



International

Active in 22 European Countries



£340,000

We donated £340,000 to charity via match funding and corporate donations



4.5/5.0

Across three of our business divisions which use Feefo, we have an average rating of 4.5 out of 5



91.2% employee engagement

In our 2022/23 Insights Survey, 91.2% of colleagues said they would recommend MHCUK as a great place to work



15th

Our ranking in Glassdoor's Best Places to Work Top 50 as the UK's best finance company to work for with an overall rating of 4.6 out of 5

1

of the UK's leading providers of retail point of sale finance and personal loans

3rd

largest asset finance provider in the UK

7th

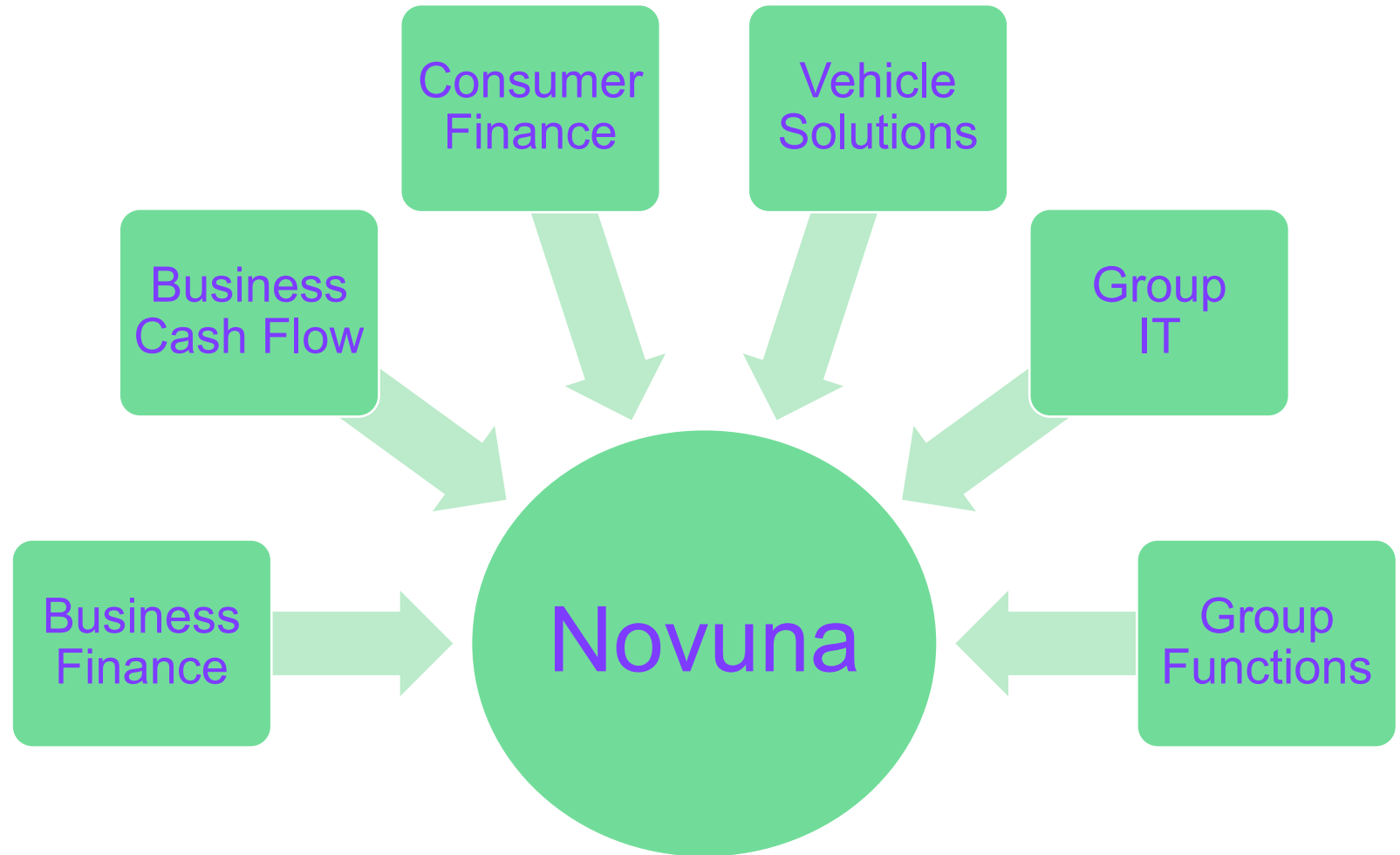
biggest UK vehicle leasing company

22

Countries across Europe where we support businesses

Change Portfolio

Novuna operates a devolved change model with each business unit having its own change function contributing to the overall change portfolio.



Original Problem Statement

Background

- Novuna Change is delivered via a devolved model by dedicated change functions for Group, Group IT and one for each Business Unit.
- A consistent methodology and change management lifecycle is in place, applied across with the whole portfolio, coordinated through a bespoke SharePoint solution, known as the investment office.

Problem Statement

- The investment office had capacity concerns, thus we were seeing adoption and adherence to existing requirements dwindle, development of bespoke processes by change functions that impacted trust in the data, accuracy of management information and reporting. Furthermore, future changes proposed to our SharePoint model would make the investment office site incompatible, unsupported with a complex platform required to be redeveloped and rebuilt.

Solution

- As part of strategic planning and option appraisals it was identified that there is a need to better support the delivery of change with a stable application being the foundation for this.
- Following a successful study phase which ran between January and July 2021 and, by way of a thorough and comprehensive RFI and RFP and due diligence process enabled Novuna to decide upon the successful Software as a Service vendor and our PPM tool of choice.

Expected benefits:

- Cost and efficiency savings
- Automation
- Financial Planning and Analysis
- Customer satisfaction
- Reputation
- Data Quality
- ePMO



Implementation Challenges

Realising benefits

Due to delayed full go live, upskilling on PowerBI and associated data modelling the ability to realise the efficiency benefits sought through automation from the single database have been deferred.

Devolved Model / Stakeholder Engagement

Due to the devolved model applied and level of autonomy with this model, engagement has had to be significant to enable all stakeholders to view the long-term strategic vision for Change. This has been hampered by delay to realise benefits.

User adoption

Due to delayed go-live and limitations of the MVP not including financial forecasting, user adoption by all aspects of the change community has been fragmented.

Integration with Oracle Fusion

Highly complex activity for our business intelligence team to understand and translate the Oracle Fusion Data (resource and non-resource) to load into the system.

Change Control

Aligning our business case submission and change control processes to leverage the benefits of the Orchestra application.

Delayed full go-live

Due to issues with data loads and additional validation on enhanced functionality, full go live was delayed impacting user adoption and full utilisation of the solution.

Financial Forecasting

Financial forecasting out the box did not provide the necessary breakdown of cost and load required, as per existing process and financial planning and analysis requirements.

Analysis and Reporting

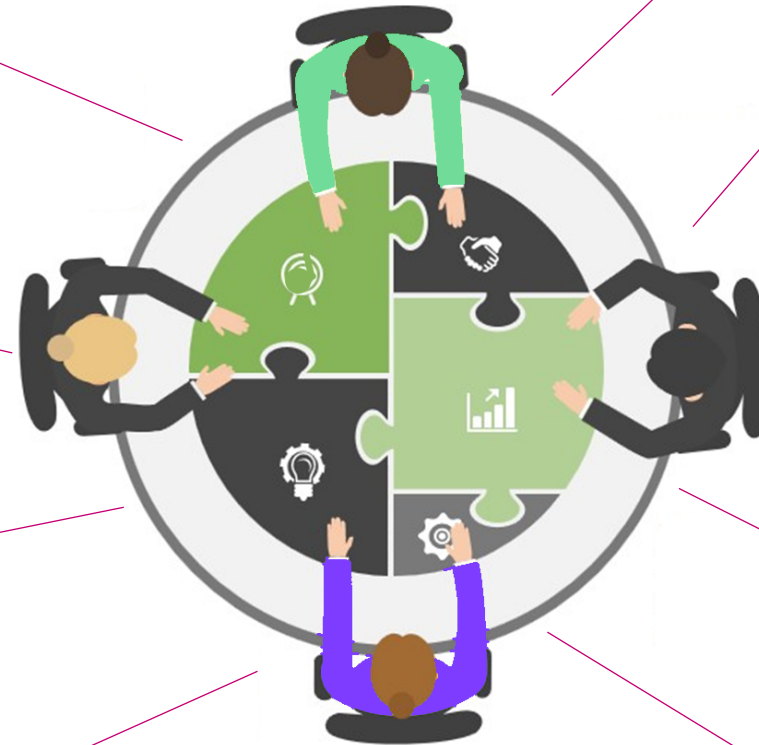
Portfolio and project information proved an enhancement, realising benefits of a single source. However, the consumption, user experience and limited ability to build bespoke reports, replicating existing reporting, impacted communication with stakeholders. This did however create a need for upskilling on PowerBI and data modelling capabilities.

Weekly Status Reporting

Flash Reports within the tool were useful, however reduced the existing level of oversight provided as per previous weekly highlight reports utilised.

RAID Reporting

The maturity of our approach to risk, assumption, issues and dependencies identification, assessment, mitigation and management required an add-in to enhance the proposition. Assumptions and dependencies requires development through designer tool.



— Roadmap

Reporting and Analytics

With the addition of the Analytics and BI Box, it has enabled us to connect the data within Orchestra to our own data lake, meaning we can write bespoke reports within Power BI and realise the might and consistency that having one data source provides us across the whole Group.

INTERNAL

Weekly Highlight Report

Select Project Code

3092

Project Name

A Project

Overall RAG

Sunny

Sponsor

P Sponsor

Project Risks

Risk Code	Risk Name	Risk Status
R-0029	Novuna Project team commitment / resource capacity to deliver	Closed
R-0030	Project End Date	Closed

Project Financials

CGC Approved Value

£250,000

Project Cost (Actual + Forecast)

£247,500

Remaining Forecast

£3,500

Variance to Budget

-£1000

Unit / Function

Group Directorate

Project Manager

P Manager

Start Date

02 November 2020

End Date

28 April 2023

Progress Against Plan

Warranty Period - Reconciliation of Resource Actuals into Production to end of March 2023 is complete for 98% of all projects. The BAU template changes to facilitate the new SaaS rules have been completed in Test. Once completed in Production the Non Resource Actuals feeds will be switched back on.

Planned Activities for Next Reporting Period

Warranty Period - Reconciliation of Resource Actuals into Production to end of March 2023 completed for all projects. The BAU template changes to facilitate the new SaaS rules completed in Production and the Non Resource Actuals feeds switched back on.

Power BI/Data Lake - confirm work on data models has

Route to Green

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Tomorrow. Together

*Data is just for illustrative purposes only and does not reflect any project within Novuna

– Thank you

Tomorrow. Together