

For Reference Only

May 15, 2017

Partnership Agreement with Tsukishima Kikai Co., Ltd.

Tokyo Century Corporation (“Tokyo Century”) is pleased to announce that we have reached an agreement to enter into a partnership agreement (“the Agreement”) with Tsukishima Kikai Co., Ltd. (“Tsukishima Kikai”). Details are provided as below.

1. Purpose of the Agreement

Tokyo Century Group cites in the corporate philosophy that the company will work alongside customers in pursuit of their growth as a highly specialized and unique financial services company and will contribute to the creation of an environmentally-sound, sustainable economy and society. With the recent growing awareness of environmental concerns among companies, we have been accelerating highly significant social initiatives in reducing greenhouse gas and improving energy self-sufficiency rate while being engaged in renewable energy businesses including solar power generation and woody biomass power generation businesses through the business alliance with partner companies.

In accordance with its corporate policy—“To make contribution to the society, the company will dedicate to the industry development and environmental protection by making advantage of its leading edge technology”—Tsukishima Kikai is engaged in businesses including the sales of water purification and waste water treatment plant and equipment for the water environmental business, as well as the sales of plants and equipment for chemical, iron & steel and foodstuffs fields, as the leading company in the industrial business. In its medium-term management plan announced in May 2016, the company aims for building a stable income base and growth base, while especially advocating its focus on the energy creation business including sludge-to-fuel resource recycling, biogas power generation and others.

Both companies have reached an agreement, in order to enhance the mutual partnership to promote business expansion of both companies by applying Tokyo Century’s expertise gained in the renewable energy business and financial services along with the energy creation business in the waste water treatment field and process equipment business which Tsukishima Kikai excels. Tokyo Century and Tsukishima Kikai are committed to creating an environmentally-sound, sustainable economy and society as well as further expanding business domains through mutually optimizing management resources.

2. Overview of the Agreement

Tokyo Century and Tsukishima Kikai aim for expanding businesses and enhancing competitiveness through the partnership as follows.

- (1) Jointly plan and propose the power generation businesses using renewable energy, including mixed-digestibility of the biomass in waste water treatment plants

- (2) Jointly plan and propose public-private partnership related to water purification and waste water treatment facilities and others
- (3) Provide services and leasing in the process equipment sales

Prior to this partnership, Tokyo Century acquired approximately 1,800 thousand of Tsukishima Kikai's shares, equivalent to 3.85% of its issued shares in March 2017.

3. Overview of Tsukishima Kikai

(1) Name	Tsukishima Kikai Co., Ltd.																					
(2) Head office	3-5-1, Harumi, Chuo-ku, Tokyo																					
(3) Company representatives	Kazuhiko Yamada, President & CEO																					
(4) Business line	Design, construction, manufacture, sales and maintenance of water purification plants, waste water treatment plants and process equipment, and PFI and DBO businesses. Design, construction, manufacture and sales of chemical plants, iron & steel plants, food plants, other plants and process equipment.																					
(5) Share capital	JPY6,646 million																					
(6) Date of establishment	May 31, 1917																					
(7) Major Shareholder and Shareholding (As of September 30, 2016)	<table> <tr> <td>Daido Life Insurance Company</td> <td>4.75%</td> </tr> <tr> <td>Taiyo Life Insurance Company</td> <td>4.23%</td> </tr> <tr> <td>Fuji Electric, Co., Ltd.</td> <td>4.03%</td> </tr> <tr> <td>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</td> <td>3.02%</td> </tr> <tr> <td>The Japan Steel Works, Ltd.</td> <td>2.92%</td> </tr> <tr> <td>CBNY-GOVERNMENT OF NORWAY</td> <td>2.90%</td> </tr> <tr> <td>Takasago Thermal Engineering Co., Ltd.</td> <td>2.89%</td> </tr> <tr> <td>Oyo Corporation</td> <td>2.63%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust account)</td> <td>2.17%</td> </tr> <tr> <td>Tsukishima Kikai Business Partner Shareholding Association</td> <td>2.07%</td> </tr> </table>		Daido Life Insurance Company	4.75%	Taiyo Life Insurance Company	4.23%	Fuji Electric, Co., Ltd.	4.03%	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3.02%	The Japan Steel Works, Ltd.	2.92%	CBNY-GOVERNMENT OF NORWAY	2.90%	Takasago Thermal Engineering Co., Ltd.	2.89%	Oyo Corporation	2.63%	The Master Trust Bank of Japan, Ltd. (Trust account)	2.17%	Tsukishima Kikai Business Partner Shareholding Association	2.07%
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(8) Relationship between Tokyo Century and Tsukishima Kikai	Equity Relationship	Not applicable.																				
	Personnel Relationship	Not applicable.																				
	Business Relationship	Not applicable.																				
	Status of Relationship with Related Parties	Not applicable.																				

(9) Results of Operations and Financial Conditions for Previous Three Fiscal Years (consolidated)			
Fiscal Year	Year ended March 2015	Year ended March 2016	Year ended March 2017
Net Assets	¥58,966 million	¥58,729 million	¥61,257 million
Total Assets	¥105,002 million	¥99,753 million	¥106,630 million
Net Asset per Share	¥1,337.97	¥1,323.93	¥1,376.67
Revenues	¥75,639 million	¥75,758 million	¥69,862 million
Operating Income	¥5,273 million	¥5,485 million	¥3,508 million
Ordinary Income	¥5,739 million	¥5,527 million	¥3,842 million
Net Income Attributable to Owners of Parent	¥3,344 million	¥3,055 million	¥2,169 million
Net Income per Share	¥75.25	¥69.82	¥49.31
Dividend per Share	¥17	¥22	¥17

4. Schedule

Signing of the Agreement	Late May, 2017 (planned)
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5. Forecast

This partnership will have insignificant impact on Tokyo Century's consolidated financial performance for the fiscal year ending March 2018.

(Reference) Consolidated financial results forecast for the fiscal year ending March 31, 2018 announced on May 12, 2017 and consolidated financial results for the fiscal year ended March 31, 2017

	Revenues	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent
Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018	¥980,000 million	¥74,000 million	¥ 76,000 million	¥45,000 million
Consolidated Financial Results for the Fiscal Year Ended March 31, 2017	¥976,107 million	¥71,999 million	¥ 73,511 million	¥43,648 million

Contact Information:

Tokyo Century Corporation
Investor Relations Division
Keisuke Yamashita

Inquiry: <https://www.tokyocentury.co.jp/en/contact/form.php>

Phone: +81-(0)3-5209-6710

(Note) This translation is prepared and provided for reference only. In the event of any discrepancy between this translated document and the original Japanese document, the original document shall prevail.