These consolidated financial results are an English translation of excerpts from the Japanese "*Kessan Tanshin*" including attachments filed with the Tokyo Stock Exchange, solely for the convenience of readers outside Japan.

This report has been prepared in accordance with accounting principles and practices generally accepted in Japan. Amounts less than ¥1 million have been omitted unless otherwise stated.

# Consolidated Financial Results (*Kessan Tanshin*) for the Fiscal Year Ended March 31, 2022 [Japan GAAP]

May 12, 2022

Name of Listed Company: Tokyo Century Corporation
Stock Exchange Listing: Tokyo
Securities Code: 8439
(URL: https://www.tokyocentury.co.jp/en/)
Representative: Koichi Baba, President & CEO, Representative Director
Contact: Tatsuya Hirasaki, Director and Managing Executive Officer
Phone: +81-3-5209-6710
Date of Annual General Meeting of Shareholders: June 27, 2022
Scheduled Payment Date of Dividends: June 28, 2022
Scheduled Reportable Date of Securities Report: June 27, 2022
Preparation of Supplementary Reference Documents: Yes
Holding of Earnings Announcement: Yes (for institutional investors and analysts)

(Amounts less than one million yen are omitted.)

## 1. Consolidated Performance

| | **Fiscal 2020** | **Fiscal 2021** | **YoY** |
|---|---|---|---|
| | ***(Millions of yen)*** | | ***(Percentage change)*** |
| (1) Consolidated business results: | | | |
| Revenues | 1,200,184 | 1,277,976 | 6.5% |
| Operating income | 77,154 | 82,675 | 7.2% |
| Ordinary income | 78,105 | 90,519 | 15.9% |
| Net income attributable to owners of parent | 49,145 | 50,290 | 2.3% |
| Basic earnings per share *(Yen)* | 402.57 | 411.56 | |
| Diluted earnings per share *(Yen)* | 400.68 | 409.74 | |
| Rate of return on equity (ROE) | 8.7% | 8.1% | |
| Return on assets (ROA) | 1.4% | 1.6% | |
| Operating income to revenues | 6.4% | 6.5% | |
| (2) Consolidated financial condition: | | | |
| Total assets | 5,602,897 | 5,663,787 | |
| Net assets | 688,345 | 795,580 | |
| Shareholders' equity ratio | 10.2% | 11.9% | |
| Net assets per share *(Yen)* | 4,670.45 | 5,507.50 | |
| (3) Consolidated cash flows: | | | |
| Cash flows from operating activities | 51,331 | 227,383 | |
| Cash flows from investing activities | (97,405) | (16,075) | |
| Cash flows from financing activities | 18,946 | (201,421) | |
| Cash and cash equivalents at end of year | 216,901 | 240,047 | |

Note:

| | | |
|---|---|---|
| Total comprehensive income | | |
| Fiscal 2021 ended March 31, 2022: | ¥129,251 million | 225.0% |
| Fiscal 2020 ended March 31, 2021: | ¥39,765 million | (30.5)% |
| Equity in earnings of affiliates | | |
| Fiscal 2021 ended March 31, 2022: | ¥9,631 million | |
| Fiscal 2020 ended March 31, 2021: | ¥3,355 million | |
| Shareholders' equity | | |
| Fiscal 2021 ended March 31, 2022: | ¥673,024 million | |
| Fiscal 2020 ended March 31, 2021: | ¥570,172 million | |

## 2. Dividends

| | Dividends per Share *(Yen)* | | | | | Total Dividends *(Millions of yen)* | Payout Ratio (Consolidated) | Dividend on Net Assets Ratio (Consolidated) |
|---|---|---|---|---|---|---|---|---|
| | First Quarter | Second Quarter | Third Quarter | Year-End | Total | | | |
| Fiscal 2020 | — | 68.00 | — | 70.00 | 138.00 | 16,847 | 34.2% | 3.0% |
| Fiscal 2021 | — | 71.00 | — | 72.00 | 143.00 | 17,474 | 34.7% | 2.8% |
| Fiscal 2022 (Forecast) | — | 71.00 | — | 72.00 | 143.00 | | 87.4% | |

## 3. Consolidated Results Forecast for the Fiscal Year Ending March 31, 2023 (As of May 12, 2022)

| | Full year | YoY |
|---|---|---|
| | *(Millions of yen)* | *(Percentage change)* |
| Ordinary income | 100,000 | 10.5% |
| Net income attributable to owners of parent | 20,000 | (60.2)% |
| Basic earnings per share *(Yen)* | 163.66 | |

Notes

(1) Changes in status of significant subsidiaries during the fiscal year under review (changes in status of specified subsidiaries resulting in change in scope of consolidation): Yes

New: —company Name: —
Exclusion: One company Name: NTT Global Data Centers NAV2 Private Limited
Note: For details, please refer to "3. Consolidated Financial Statements and Primary Notes (5) Notes to the Consolidated Financial Statements (Changes in Status of Significant Subsidiaries during the Fiscal Year under Review)" on page 17 of the Attached Documents.

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements
1) Changes in accounting policies due to reforms of accounting standards: Yes
2) Changes in accounting policies other than item 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatements: None
Note: For details, please refer to "3. Consolidated Financial Statements and Primary Notes (5) Notes to the Consolidated Financial Statements (Changes in Accounting Policies)" on page 17 of the Attached Documents.

(3) Number of shares of common stock issued
1) Number of shares issued at the end of the fiscal year (including treasury stock)
As of March 31, 2021: 123,028,320 shares
As of March 31, 2022: 123,028,320 shares
2) Number of shares of treasury stock at the end of the fiscal year
As of March 31, 2021: 947,379 shares
As of March 31, 2022: 826,799 shares
3) Average number of shares during the fiscal year
Fiscal year ended March 31, 2021: 122,080,464 shares
Fiscal year ended March 31, 2022: 122,194,693 shares

(Reference: Outline of non-consolidated business results)

## 1. Non-consolidated Performance

| | Fiscal 2020 | Fiscal 2021 | YoY |
|---|---|---|---|
| | *(Millions of yen)* | | *(Percentage change)* |
| (1) Non-consolidated business results: | | | |
| Revenues | 424,441 | 427,622 | 0.7% |
| Operating income | 22,026 | 27,302 | 24.0% |
| Ordinary income | 26,776 | 35,543 | 32.7% |
| Net income | 21,255 | 20,319 | (4.4)% |
| Basic earnings per share *(Yen)* | 174.11 | 166.29 | |
| Diluted earnings per share *(Yen)* | 173.29 | 165.55 | |
| (2) Non-consolidated financial condition: | | | |
| Total assets | 3,157,027 | 3,029,019 | |
| Net assets | 414,637 | 408,979 | |
| Shareholders' equity ratio | 13.1% | 13.4% | |
| Net assets per share *(Yen)* | 3,375.90 | 3,326.85 | |

Note:
Shareholders' equity
Fiscal 2021 ended March 31, 2022: ¥406,546 million
Fiscal 2020 ended March 31, 2021: ¥412,132 million

These financial results are outside the scope of audit by a certified public accountant or an audit corporation.

Explanation related to forward-looking statements and other items warranting special mention
(Regarding forward-looking statements)
The statements concerning future performance presented in this document are prepared based on currently available information and certain preconditions that Tokyo Century Corporation and its Group companies believe to be reasonable at the publication of this document. Actual results may be substantially different from any projections presented herein due to various factors.
(Methods for obtaining supplementary reference documents)
The supplementary reference documents were disclosed on the TDnet on the same date as this document (Japanese only) and were also posted on the Company's website. The Company holds an earnings announcement (audio conference) for institutional investors and analysts on Friday, May 13, 2022.

## 1. Overview of Business Results, etc.

* In this section, 1. "Overview of Business Results, etc.," the amounts expressed in units of millions have been rounded off to the nearest hundred million.

(1) Overview of Business Results for the Fiscal Year under Review

The Japanese economy in the fiscal year ended March 31, 2022 showed signs of picking up due to the easing of activity restrictions as the global spread of the new coronavirus went back and forth. In addition, the economic outlook is uncertain due to the chaotic international situation.

Under these circumstances, Tokyo Century Group promoted the following initiatives to strengthen the sales base and strengthen the management base, with a view to building a strong business platform for the next 10 years, in the second year of a three-year "New Fourth Medium-Term Management Plan" started in fiscal 2020.

1) Strengthening of sales base

[Equipment Leasing]

- We have started offering "POWER CONTINUE," a fixed price power conditioner rental service for solar power generation, based on a business alliance agreement with OMRON Social Solutions Co., Ltd. OMRON Social Solutions will be in charge of equipment replacement and maintenance, and we will supply the financial services and "TCplats," the integrated subscription platform, related to the equipment. By providing this service that promotes the switch to equipment with high power generation efficiency, we will contribute to the long-term operation of solar power generation and focus on the proliferation of clean energy through climate change and environmental efforts.
- We established IBeeT Corporation, a joint venture with ITOCHU Corporation, to provide a subscription service for distributed power sources and related equipment that contributes to the realization of a decarbonized society. The need for power storage systems is expected to grow in today's storage battery market from the perspectives of the proliferation of renewable energy, greater resilience against natural disasters and measures against power outages, and we will therefore provide a subscription service for "Smart Star," a home energy storage system. Going forward, we will continue to contribute to the realization of a decarbonized society and a decentralized energy society, including by creating a new ecosystem and a circular economy.
- We have concluded an agreement with Fukuoka Financial Group, Inc. (hereinafter referred to FFG) pertaining to a capital and business alliance relating to the leasing business. Going forward, we will make The Eighteenth Lease Co., Ltd. (trade name changed to FFG Lease Co., Ltd. as of April 1, 2022), which is a subsidiary of FFG, an equity-method affiliate and respond to diverse needs and contribute to the sustainable development of the local community, including The Bank of Fukuoka, Ltd. and The Kumamoto Bank, Ltd., our business partners by combining the strong customer base of FFG with our diverse financial and service knowhow, including in leasing.

[Mobility & Fleet Management]

In order to expand the electric vehicle leasing and rental business, we have concluded a capital and business alliance agreement with MIRAI-LABO CO., Ltd., which is engaged in the battery assessment and reuse business. We will further strengthen the leasing and rental business of electric vehicles (including passenger vehicles and trucks) using MIRAI-LABO's used battery assessment technology, centered on our Group companies, Nippon Car Solutions Co., Ltd., Nippon Rent-A-Car Service, Inc., and Orico Auto Leasing Co., Ltd. Going forward, we will also focus on expanding and providing environmentally friendly mobility services such as the reuse and recycling of electric vehicle batteries.

- We launched a collaboration in the tourism-oriented MaaS verification test in Nagasaki City, Nagasaki Prefecture with ZENRIN CO., LTD. and Nippon Rent-A-Car Service, Inc. In this collaboration, we will promote initiatives in the mobility service field that amalgamate the strengths of each company, including the utilization of car rentals to improve the convenience of travelling to attractive tourist spots in suburban areas and the promotion of excursions by travelers to tourism areas.

[Specialty Financing]

- We have established a fund for investment in the domestic renewable energy business in collaboration with NTT Anode Energy Corporation, Sumitomo Mitsui Trust Bank, Limited and SUMITOMO MITSUI TRUST INVESTMENT Co., Ltd. We will contribute to the realization of a sustainable society by accumulating the knowledge each company has in the development and operation of renewable energy, and working to solve social issues such as environmental problems.
- Aviation Capital Group LLC, our consolidated subsidiary, has placed an order with Airbus for a total of 60 aircraft comprising 20 A220 Family and 40 A320 neo Family. The aircraft on order are narrow-body aircraft with excellent operating costs that will reduce fuel consumption by 20-25% compared to the previous generation aircraft, and will be delivered between 2024 and 2028. Demand for narrow-body aircraft is expected to continue to grow as the number of short- and medium-haul routes increase, and the company will promote the replacement with next-generation aircraft with high fuel efficiency to contribute to the

development of the airline industry and the reduction of $CO_2$ emissions worldwide.

- As one of the ten companies promoting the development of "Uchisaiwaicho 1-chome District (Uchisaiwaicho 1-chome, Chiyoda-ku, Tokyo), we will participate in the unparalleled "TOKYO CROSS PARK Concept," which is an urban development project integrated with Hibiya Park. This is one of the largest development projects in the metropolitan area, with a total floor area of 1.1 million square meters, and as well as being connected to Hibiya Park, it is slated to be equipped with offices, commercial facilities, a hotel, and housing functions, etc. We will engage in co-creation with nine other companies to combine our strengths in each field, including urban development, digital, and carbon neutrality, and realize a next-generation smart city that promotes new value creation and the solving of social issues.

[International Business]

- In August 2021, we started a data center business operation in Mumbai, India, our first collaboration with NTT Global Data Centers Corporation. India is expected to experience a sharp increase in the volume of data usage against the backdrop of the government-led promotion of 5G services and the growth of the e-commerce market, and the market size of data centers in India is expected to increase rapidly. The data center business is a highly socially significant initiative that will lead to the development of digital infrastructure, etc., and will continue to contribute to the realization of a sustainable society going forward by solving social issues through collaboration with the NTT Group.
- Two of our entry projects, including the "Introduction of 1.85MW Solar Power Generation System in Thailand/food plants," which we applied for as the representative company, were selected for the "Financing Program for the Joint Crediting Mechanism (JCM) Eco Lease Project in fiscal 2021" solicited by the Japanese Ministry of the Environment and the Global Environment Centre Foundation (GEC). The selected projects will be the first to be adopted in Thailand as "JCM Eco Lease Business" established in fiscal 2020. Going forward, we will continue to utilize the Group's overseas network and high added-value financial and service functions to promote highly socially significant initiatives, including the proliferation of clean energy in ASEAN countries.

2) Strengthening of management base

[Enhance and reinforce the financial foundation]

- Rating and Investment Information, Inc. (R&I) revised its outlook of the Company's "A" ranking from Stable to Positive.
- S&P Global Ratings Japan revised its outlook of the Company's "BBB" ranking from Negative to Stable.
- To date, the Company has promoted procurement through "Sustainability Linked Loans," which are one type of ESG financing linked to the expansion of the renewable energy business and the improvement of employee engagement. Sustainability Linked Loans are a procurement method that sets sustainability performance targets ("SPTs") linked to sustainability goals based on the borrower's management strategy, and connects borrowing conditions with SPTs, with the total amount raised exceeding 200 billion yen. Going forward, we will continue to contribute to solving environmental and social issues and realizing a sustainable society by promoting procurement through ESG financing.

[Strengthen other management base]

- We have publicly announced our commitment to support the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board (FSB). We consider that addressing climate change is an important issue for the creation of an environmentally sound, sustainable economy and society, and have established materiality (important issues) when practicing sustainability management. Contributing to a decarbonized society is one of the important issues, and supporting the TCFD will accelerate our responses to climate change. Going forward, we will continue to analyze the impact of climate change on our business and reflect the results in mid- to long-term management strategies, as well as work on the appropriate disclosure of climate-related information.
- As business domains expand, the number of investment projects is increasing, and the risks involved are becoming more complex. For the purpose of appropriately controlling diversifying investment risks and optimizing the business portfolio, we have established an "Investment Management Committee" and started to formulate and operate an investment management framework that clarifies investment adoption criteria and establishes a monitoring process, among other things. Going forward, under the new framework, we will strengthen our efforts to further advance risk management related to investment.
- Utilizing the "TC Biz Challenge," the new business proposal project, whereby employees take on new challenges without fear of failure, we will work to foster human resources to promote viable business. In the first "TC Biz Challenge," one of the 36 applications has progressed to the proof-of-concept phase.
- We were selected as a "Digital Transformation Stocks (DX Stocks) 2021" for the seventh consecutive year since the establishment of this system. We further strengthened our efforts, including by establishing the DX Strategy Division, which is responsible for creating DX strategies, and by formulating DX-related strategies and management goals. Nippon Rent-A-Car Service, Inc. (hereinafter referred to NRS) analyzes more than

100,000 customer surveys annually by means of data analysis and natural language processing using AI to steady improve customer service and provide safe and secure rental cars. In addition, NRS is focusing on the realization of DX in the mobility business by developing new products and services and improving existing services, including by developing highly convenient smartphone apps and renewing reservation website pages.

With regard to the business results, revenues increased ¥77,800 million, or 6.5%, to ¥1,278,000 million, and gross profit increased ¥6,100 million, or 3.0%, to ¥207,100 million, respectively from the previous consolidated fiscal year. Increase in gross profit is mainly due to increases in the International Business segment and the Mobility & Fleet Management segment, despite a decrease in the aviation business due to an impairment loss.

Selling, general and administrative expenses increased ¥600 million, or 0.5%, to ¥124,400 million from the previous consolidated fiscal year.

Non-operating income and expenses increased ¥6,900 million, or 725.0%, to an income of ¥7,800 million from the previous consolidated fiscal year. This was mainly attributable to an increase in equity in earnings of affiliates.

Due to the factors mentioned above, ordinary income increased ¥12,400 million, or 15.9%, to ¥90,500 million from the previous consolidated fiscal year.

Extraordinary income and losses deteriorated by ¥2,900 million, to a loss of ¥1,100 million from the previous consolidated fiscal year, due to factors including a decline in gain on sales of investment securities. Income taxes increased ¥7,200 million, or 30.8%, to ¥30,700 million, and net income attributable to non-controlling interests increased ¥1,200 million, or 16.4%, to ¥8,400 million, respectively from the previous consolidated fiscal year.

As a result, net income attributable to owners of parent increased ¥1,100 million, or 2.3%, to ¥50,300 million from the previous consolidated fiscal year.

Average exchange rate during the period for the preparation of consolidated financial statements for the major overseas subsidiaries and affiliates closing accounts in December is ¥109.90/US$ for the fiscal year ended December 31, 2021 (January to December 2021), ¥106.77/US$ for the fiscal year ended December 31, 2020 (January to December 2020).

## (2) Overview of Financial Conditions for the Fiscal Year under Review

Total assets at the end of the fiscal year under review increased ¥60,900 million, or 1.1%, to ¥5,663,800 million from the end of the previous consolidated fiscal year.

Total liabilities decreased ¥46,300 million, or 0.9%, to ¥4,868,200 million from the end of the previous consolidated fiscal year. Interest-bearing debts decreased ¥33,500 million, or 0.8%, to ¥4,247,400 million from the end of the previous consolidated fiscal year.

Total net assets increased ¥107,200 million, or 15.6%, to ¥795,600 million from the end of the previous consolidated fiscal year, mainly due to an increase in retained earnings of ¥33,100 million, and an increase in translation adjustments of ¥61,900 million.

As a result, the shareholders' equity ratio increased 1.7 points from the end of the previous consolidated fiscal year to 11.9%.

Exchange rate at the end of the period for the preparation of consolidated financial statements for the major overseas subsidiaries and affiliates closing accounts in December is ¥115.02/US$ at the end of the fiscal year ended December 31, 2021 (December 31, 2021), ¥103.52/US$ at the end of the previous consolidated fiscal year (December 31, 2020).

## (3) Overview of Cash Flow for the Fiscal Year under Review

Net cash provided by operating activities amounted to ¥227,400 million, mainly due to a decrease in loans, in addition to the recording of income before income taxes. Net cash used in investing activities amounted to ¥16,100 million, mainly due to purchase of shares of affiliates accounted for using equity method and purchase of shares of subsidiaries resulting in change in the scope of consolidation. Net cash used in financing activities amounted to ¥201,400 million, mainly due to redemption of bonds and commercial papers. Due to the factors mentioned above, cash and cash equivalents at the end of the consolidated fiscal year under review increased ¥23,100 million to ¥240,000 million from the end of the previous consolidated fiscal year.

## (4) Future Outlook

Regarding the economic environment in the fiscal year ending March 31, 2023, although it is difficult to predict when the new coronavirus infection will be contained, and there are risks such as the emergence of new variants, it is expected that the impact on economic activity decreases gradually as moves to ease or lift behavioral restrictions steadily spread. On the other hand, the situation in Russia and Ukraine brings uncertainty to the global economy, inflationary pressure through soaring market prices affects monetary policy, U.S. interest rates are rising, and stock market volatility is expanding, making the economic environment uncertain.

In this economic environment, our business forecast for the fiscal year ending March 31, 2023, the final year of the New Fourth Medium-Term Management Plan (announced in February 2020), is ordinary income of 100 billion yen (up 10.5% from the previous consolidated fiscal year) and net income attributable to owners of parent of 20 billion yen (down 60.2%).

The targets of the New Fourth Medium-Term Management Plan were 130 billion yen in ordinary income and 80 billion yen in net income attributable to owners of parent, but the main reason for not achieving these targets is that the aircraft business was significantly affected by the new coronavirus infection and Russia’s invasion of Ukraine. Other businesses are expected to perform generally well.

The reason for the large decrease in net income attributable to owners of parent is that our consolidated subsidiary, Aviation Capital Group LLC, will record an impairment loss on aircraft leased to Russian airline companies. For details, please refer to the “Notice Concerning Recording of Extraordinary Loss (Impairment Loss) for the Fiscal Year Ending March 31, 2023.”

(5) Basic Policy on Distribution of Profits, as well as Dividends for both the Fiscal Year under Review and the Next Fiscal Year

The Group believes that an ongoing commitment to the expansion of business content and the reinforcement of its business structure should gain higher corporate value. In this context, the Company complies with a basic policy of stably distributing profits to its shareholders over the long term with due consideration given to increasing its retained earnings.

Internal reserve funds will be effectively appropriated in the future by corporate management to, for example, be used as funds to purchase high-quality operating assets.

As for dividends in the fiscal year under review, as forecast at the beginning of the year, we intend to pay an annual dividend of ¥143 per share (interim dividend of ¥71, year-end dividend of ¥72), taking into consideration the current business performance, financial condition, and the future management environment, etc.

For the fiscal year ending March 31, 2023, we expect net income attributable to owners of parent to decrease significantly to 20 billion yen. However, in addition to the fact that this is due to a one-time impairment that does not involve a cash outflow, from the perspective of financial soundness, the amount of risk to capital taking into account future profitability, we believe that we can maintain our risk durability. Therefore, we intend to pay an annual dividend of ¥143 per share (interim dividend of ¥71, year-end dividend of ¥72), the same amount as in the fiscal year ended March 31, 2022, based also on our basic policy of long-term and stable return of profits to shareholders.

## 2. Basic Stance on Selection of Accounting Standards

We judge that our consolidated financial statements based on Japan GAAP appropriately reflect the Company’s results of operations and financial conditions. Furthermore, with regard to the selection of accounting standards, having considered the costs and benefits from various points of view such as streamlining of financial reporting, ensuring comparability, and impact on fund procurement, we deem it suitable at this time to apply Japan GAAP.

Our policy is to continue to closely observe trends in IFRS and Japanese accounting system and standards, and to respond appropriately with regard to selection of accounting standards.

## 3. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash on hand and in banks | 217,522 | 240,800 |
| Accounts receivable - installment sales | 159,801 | 153,939 |
| Lease receivables and investment assets | 1,632,014 | 1,575,049 |
| Loans | 467,125 | 407,370 |
| Operational investment securities | 312,693 | 352,044 |
| Accounts receivable - leases | 70,617 | 77,358 |
| Short-term investment securities | 450 | 450 |
| Inventories | 10,472 | 13,341 |
| Other current assets | 148,276 | 150,858 |
| Allowance for doubtful accounts | (7,269) | (7,640) |
| Total current assets | 3,011,703 | 2,963,571 |
| Non-current assets | | |
| Property and equipment | | |
| Leased assets | 1,879,266 | 1,991,616 |
| Advances for purchases of property for lease | 107,843 | 55,862 |
| Other operating assets | 100,681 | 116,248 |
| Construction in progress | 72,958 | 84,596 |
| Own assets in use | 28,722 | 19,029 |
| Total property and equipment | 2,189,472 | 2,267,353 |
| Intangible assets | | |
| Computer programs leased to customers | 2,279 | 2,086 |
| Goodwill | 51,543 | 53,308 |
| Other intangible assets | 42,247 | 34,824 |
| Total intangible assets | 96,070 | 90,219 |
| Investments and other assets | | |
| Investments in securities | 204,523 | 234,951 |
| Claims provable in bankruptcy or rehabilitation | 13,481 | 17,045 |
| Deferred tax assets | 25,987 | 29,178 |
| Retirement benefit asset | 39 | 108 |
| Other investments | 64,415 | 68,554 |
| Allowance for doubtful accounts | (4,835) | (10,284) |
| Total investments and other assets | 303,611 | 339,555 |
| Total non-current assets | 2,589,155 | 2,697,129 |
| Deferred assets | 2,039 | 3,087 |
| Total assets | 5,602,897 | 5,663,787 |

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 237,729 | 206,112 |
| Short-term borrowings | 229,218 | 252,174 |
| Current portion of bonds | 232,480 | 36,711 |
| Current portion of long-term debt | 680,854 | 745,752 |
| Commercial papers | 629,600 | 371,499 |
| Payables under fluidity lease receivables | 60,600 | 31,300 |
| Current portion of long-term payables under fluidity lease receivables | 860 | 142 |
| Lease obligations | 5,115 | 5,763 |
| Accrued income taxes | 12,164 | 15,269 |
| Deferred profit on installment sales | 12,593 | 12,191 |
| Provision for bonuses | 3,732 | 3,695 |
| Provision for directors' bonuses | 332 | 355 |
| Other provisions | 572 | 13 |
| Other current liabilities | 120,352 | 142,601 |
| Total current liabilities | 2,226,206 | 1,823,584 |
| Long-term liabilities | | |
| Bonds payable | 790,232 | 963,371 |
| Long-term debt | 1,656,910 | 1,846,430 |
| Long-term payables under fluidity lease receivables | 142 | — |
| Lease obligations | 9,040 | 12,014 |
| Deferred tax liabilities | 36,830 | 42,101 |
| Provision for directors' retirement benefits | 519 | 480 |
| Provision for automobile inspection costs | 1,250 | 867 |
| Other provisions | 240 | 256 |
| Net defined benefit liability | 11,890 | 12,034 |
| Other long-term liabilities | 181,286 | 167,066 |
| Total long-term liabilities | 2,688,345 | 3,044,622 |
| Total liabilities | 4,914,552 | 4,868,206 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock without par value | 81,129 | 81,129 |
| Capital surplus | 56,078 | 56,244 |
| Retained earnings | 453,878 | 486,946 |
| Treasury stock | (2,460) | (2,148) |
| Total shareholders' equity | 588,625 | 622,171 |
| Accumulated other comprehensive income | | |
| Net unrealized holding gains on securities | 22,932 | 23,069 |
| Net unrealized gains on derivative instruments | 804 | 7,781 |
| Translation adjustments | (41,893) | 20,055 |
| Remeasurements of defined benefit plans | (297) | (53) |
| Total accumulated other comprehensive income | (18,453) | 50,853 |
| Share subscription rights | 2,504 | 2,432 |
| Non-controlling interests | 115,668 | 120,123 |
| Total net assets | 688,345 | 795,580 |
| Total liabilities and net assets | 5,602,897 | 5,663,787 |

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income
(For the years ended March 31, 2021 and 2022)

(Millions of yen)

| | Fiscal 2020 | Fiscal 2021 |
|---|---|---|
| Revenues | 1,200,184 | 1,277,976 |
| Costs | 999,202 | 1,070,909 |
| Gross profit | 200,982 | 207,066 |
| Selling, general and administrative expenses | 123,827 | 124,391 |
| Operating income | 77,154 | 82,675 |
| Non-operating income | | |
| Interest income | 146 | 53 |
| Dividend income | 1,051 | 993 |
| Equity in earnings of affiliates | 3,355 | 9,631 |
| Rent income | 275 | — |
| Other | 1,838 | 1,519 |
| Total non-operating income | 6,668 | 12,198 |
| Non-operating expenses | | |
| Interest expense | 3,089 | 3,365 |
| Foreign exchange losses | 1,779 | 604 |
| Cost of lease revenue | 125 | — |
| Other | 722 | 383 |
| Total non-operating expenses | 5,717 | 4,353 |
| Ordinary income | 78,105 | 90,519 |
| Extraordinary income | | |
| Gain on sales of investment securities | 3,014 | 538 |
| Other | 2,576 | 94 |
| Total extraordinary income | 5,590 | 633 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | 231 | 675 |
| Fair value adjustment of contingent consideration | — | 329 |
| Loss on disposal of non-current assets | 194 | 275 |
| Loss on temporary closure | 165 | 202 |
| Loss on step acquisitions | 1,016 | — |
| Extra retirement payments | 808 | — |
| Loss on liquidation of equity interest in residential property sales business | 674 | — |
| Other | 759 | 262 |
| Total extraordinary losses | 3,849 | 1,745 |
| Income before income taxes | 79,847 | 89,407 |
| Income taxes - current | 23,729 | 28,947 |
| Income taxes - deferred | (242) | 1,772 |
| Total income taxes | 23,487 | 30,719 |
| Net income | 56,360 | 58,687 |
| Net income attributable to non-controlling interests | 7,214 | 8,397 |
| Net income attributable to owners of parent | 49,145 | 50,290 |

Consolidated Statements of Comprehensive Income
(For the years ended March 31, 2021 and 2022)

(Millions of yen)

| | Fiscal 2020 | Fiscal 2021 |
|---|---|---|
| Net income | 56,360 | 58,687 |
| Other comprehensive income | | |
| Net unrealized holding gains on securities | 18,402 | 339 |
| Net unrealized gains on derivative instruments | 1,605 | 6,942 |
| Translation adjustments | (37,634) | 58,871 |
| Remeasurements of defined benefit plans | 319 | 324 |
| Share of other comprehensive income of affiliates accounted for using equity method | 711 | 4,084 |
| Total other comprehensive income (losses) | (16,594) | 70,563 |
| Comprehensive income | 39,765 | 129,251 |
| Comprehensive income attributable to: | | |
| Owners of parent | 32,369 | 119,597 |
| Non-controlling interests | 7,396 | 9,653 |

(3) Consolidated Statements of Changes in Net Assets

(For the year ended March 31, 2021)

(Millions of yen)

| | Shareholder's equity | | | | |
|---|---|---|---|---|---|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at beginning of year | 81,129 | 56,016 | 421,580 | (2,550) | 556,175 |
| Changes of items during the period | | | | | |
| Cash dividends | | | (16,722) | | (16,722) |
| Net income attributable to owners of parent | | | 49,145 | | 49,145 |
| Purchase of treasury stock | | | | (8) | (8) |
| Disposal of treasury stock | | 61 | | 98 | 160 |
| Change in scope of consolidation | | | (125) | | (125) |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during the period | — | 61 | 32,298 | 89 | 32,449 |
| Balance at end of year | 81,129 | 56,078 | 453,878 | (2,460) | 588,625 |

| | Accumulated other comprehensive income | | | | | Share subscription rights | Non-controlling interests | Total net assets |
|---|---|---|---|---|---|---|---|---|
| | Net unrealized holding gains on securities | Net unrealized gains on derivative instruments | Translation adjustments | Remeasure-ments of defined benefit plans | Total accumulated other comprehen-sive income | | | |
| Balance at beginning of year | 4,315 | (510) | (4,953) | (529) | (1,677) | 2,191 | 103,454 | 660,145 |
| Changes of items during the period | | | | | | | | |
| Cash dividends | | | | | | | | (16,722) |
| Net income attributable to owners of parent | | | | | | | | 49,145 |
| Purchase of treasury stock | | | | | | | | (8) |
| Disposal of treasury stock | | | | | | | | 160 |
| Change in scope of consolidation | | | | | | | | (125) |
| Net changes of items other than shareholders' equity | 18,616 | 1,315 | (36,940) | 231 | (16,776) | 313 | 12,213 | (4,249) |
| Total changes of items during the period | 18,616 | 1,315 | (36,940) | 231 | (16,776) | 313 | 12,213 | 28,200 |
| Balance at end of year | 22,932 | 804 | (41,893) | (297) | (18,453) | 2,504 | 115,668 | 688,345 |

(For the year ended March 31, 2022)

(Millions of yen)

| | Shareholder's equity | | | | |
|---|---|---|---|---|---|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at beginning of year | 81,129 | 56,078 | 453,878 | (2,460) | 588,625 |
| Changes of items during the period | | | | | |
| Cash dividends | | | (17,221) | | (17,221) |
| Net income attributable to owners of parent | | | 50,290 | | 50,290 |
| Purchase of treasury stock | | | | (2) | (2) |
| Disposal of treasury stock | | 165 | | 314 | 480 |
| Change in scope of consolidation | | | (0) | | (0) |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes of items during the period | — | 165 | 33,067 | 311 | 33,545 |
| Balance at end of year | 81,129 | 56,244 | 486,946 | (2,148) | 622,171 |

| | Accumulated other comprehensive income | | | | | Share subscription rights | Non-controlling interests | Total net assets |
|---|---|---|---|---|---|---|---|---|
| | Net unrealized holding gains on securities | Net unrealized gains on derivative instruments | Translation adjustments | Remeasure-ments of defined benefit plans | Total accumulated other comprehen-sive income | | | |
| Balance at beginning of year | 22,932 | 804 | (41,893) | (297) | (18,453) | 2,504 | 115,668 | 688,345 |
| Changes of items during the period | | | | | | | | |
| Cash dividends | | | | | | | | (17,221) |
| Net income attributable to owners of parent | | | | | | | | 50,290 |
| Purchase of treasury stock | | | | | | | | (2) |
| Disposal of treasury stock | | | | | | | | 480 |
| Change in scope of consolidation | | | | | | | | (0) |
| Net changes of items other than shareholders' equity | 136 | 6,976 | 61,949 | 244 | 69,306 | (72) | 4,454 | 73,689 |
| Total changes of items during the period | 136 | 6,976 | 61,949 | 244 | 69,306 | (72) | 4,454 | 107,235 |
| Balance at end of year | 23,069 | 7,781 | 20,055 | (53) | 50,853 | 2,432 | 120,123 | 795,580 |

(4) Consolidated Statements of Cash Flows
(For the years ended March 31, 2021 and 2022)

(Millions of yen)

| | Fiscal 2020 | Fiscal 2021 |
|---|---|---|
| Cash flows from operating activities | | |
| Income before income taxes | 79,847 | 89,407 |
| Depreciation and amortization of leased assets | 171,958 | 180,279 |
| Loss on disposal of leased assets | 79,175 | 150,816 |
| Impairment loss | 9,942 | 26,579 |
| Depreciation of other operating assets, and cost of other operating assets sales | 4,943 | 6,160 |
| Depreciation of own-used assets, and loss on sales and retirement of own-used assets | 14,379 | 13,547 |
| Amortization of goodwill | 3,415 | 3,519 |
| Foreign exchange losses (gains) | 1,779 | 604 |
| Increase (decrease) in allowance for doubtful accounts | 600 | 5,276 |
| Increase (decrease) in provision for bonuses | 65 | (39) |
| Increase (decrease) in net defined benefit liability | 713 | 400 |
| Interest and dividend income | (1,198) | (1,046) |
| Interest expense | 46,938 | 51,311 |
| Share of loss (profit) of entities accounted for using equity method | (3,355) | (9,631) |
| Loss (gain) on sale of investments in securities | (3,014) | (538) |
| Decrease (increase) in installment sales receivable | 17,324 | 12,953 |
| Decrease (increase) in lease receivables and investment assets | 42,021 | 68,254 |
| Decrease (increase) in loans receivable | 36,256 | 73,143 |
| Decrease (increase) in operational investment securities | (35,359) | (27,711) |
| Purchases of leased assets | (311,677) | (318,122) |
| Purchases of other operating assets | (26,192) | (18,941) |
| Decrease (increase) in construction in progress | 10,820 | (11,638) |
| Decrease (increase) in claims provable in bankruptcy or rehabilitation | (5,713) | (2,923) |
| Increase (decrease) in trade notes and accounts payable | (16,873) | (33,449) |
| Other, net | 14,042 | 45,589 |
| Subtotal | 130,840 | 303,800 |
| Interest and dividend income received | 4,458 | 4,232 |
| Interest expense paid | (49,082) | (52,362) |
| Income taxes paid | (34,885) | (28,287) |
| Net cash provided by (used in) operating activities | 51,331 | 227,383 |
| Cash flows from investing activities | | |
| Proceeds from sales of own assets in use | 5,661 | 164 |
| Purchases of own assets in use | (4,726) | (11,700) |
| Proceeds from sales/redemptions of investments in securities | 10,972 | 10,470 |
| Purchases of investments in securities | (110,835) | (16,167) |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (12,331) | (1,873) |
| Proceeds of shares of subsidiaries resulting in change in scope of consolidation | 4,066 | — |
| Payments for sale of shares of subsidiaries resulting in change in scope of consolidation | (434) | — |
| Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation | — | 6,416 |
| Other, net | 10,222 | (3,384) |
| Net cash provided by (used in) investing activities | (97,405) | (16,075) |

(Millions of yen)

| | Fiscal 2020 | Fiscal 2021 |
|---|---|---|
| Cash flows from financing activities | | |
| Increase (decrease) in short-term borrowings, net | (230,584) | 12,570 |
| Increase (decrease) in commercial papers, net | (193,666) | (261,745) |
| Proceeds from long-term debt | 1,004,657 | 971,957 |
| Repayment of long-term debt | (698,915) | (795,007) |
| Increase (decrease) in payables under securitized lease receivables, net | (13,200) | (29,300) |
| Repayments of payables under fluidity lease receivables | (859) | (860) |
| Proceeds from issuance of bonds | 311,846 | 267,950 |
| Redemption of bonds | (144,602) | (344,345) |
| Proceeds from share issuance to non-controlling interest shareholders | 5,105 | 105 |
| Repayments to non-controlling interest shareholders | — | (1,426) |
| Cash dividends paid | (16,722) | (17,221) |
| Cash dividends paid to non-controlling-interest shareholder | (3,481) | (3,244) |
| Proceeds from sales of treasury shares | 0 | 0 |
| Purchase of treasury shares | (8) | (2) |
| Other, net | (623) | (851) |
| Net cash provided by (used in) financing activities | 18,946 | (201,421) |
| Effect of exchange rate changes on cash and cash equivalents | (6,105) | 13,142 |
| Net increase (decrease) in cash and cash equivalents | (33,233) | 23,026 |
| Cash and cash equivalents at beginning of year | 250,096 | 216,901 |
| Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation | 39 | 120 |
| Cash and cash equivalents at end of year | 216,901 | 240,047 |

## (5) Notes to the Consolidated Financial Statements

### Notes on Going Concern Assumption
Not applicable

### Changes in Status of Significant Subsidiaries during the Fiscal Year under Review
In the consolidated fiscal year under review, the Company sold part of its shareholding in NTT Global Data Centers NAV2 Private Limited, which was a specified subsidiary of the Company, excluded it from the scope of consolidation, and included it in the scope of equity method companies.

### Changes in Accounting Policies
(Application of the Accounting Standard for Revenue Recognition and Other Standards)

Starting at the beginning of the consolidated fiscal year under review, the Company applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, the "Revenue Recognition Standard") and other standards, which require revenue to be recognized in the amounts projected to be received in exchange for goods or services as of the moment in which the control over the promised goods or services have been transferred to the customer. The Revenue Recognition Standard and other standards are applied in accordance with the transitional treatment stated in the proviso in Paragraph 84 of the Revenue Recognition Standard. Accordingly, the cumulative impact of retrospectively applying the Standard to periods before the beginning of the consolidated fiscal year under review has been adjusted in retained earnings at the beginning of the said fiscal year, and the new accounting policies have been applied starting from the balance at the beginning of the period. The impact of applying the standards on profit and losses during the fiscal year ended March 31, 2022 is immaterial. Moreover, there has been no impact on the balance of retained earnings at the beginning of the period.

As a result of applying these standards, amounts corresponding to contract liabilities in the Revenue Recognition Standard, etc. among "other provisions," which were presented in current liabilities in the Consolidated Balance Sheets for the previous consolidated fiscal year, have been included in "other current liabilities" as "contract liabilities" starting with the beginning of the fiscal year under review. In addition, amounts corresponding to contract liabilities in the Revenue Recognition Standard, etc. among "provision for automobile inspection costs," which were presented in "long-term liabilities," have been included in "other long-term liabilities" as "contract liabilities" starting with the fiscal year under review. In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Revenue Recognition Standard, figures in the financial statements for the previous fiscal year have not been reclassified to conform to the new presentation method. Furthermore, in accordance with the transitional treatment stipulated in Paragraph 89-3 of the Revenue Recognition Standard, no information has been provided on the breakdown of revenues from contracts with customers for the fiscal year ended March 31, 2021.

(Application of the Accounting Standard for Fair Value Measurement and Other Standards)

Starting at the beginning of the consolidated fiscal year under review, the Company applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019, the "Fair Value Measurement Standard") and other standards. In accordance with the transitional treatment stipulated in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Company will prospectively apply the new accounting policies pursuant to the Fair Value Measurement Standard, etc.

The impact of applying the standards on the consolidated financial statements is immaterial.

### Additional Information
Purchase Contracts for Aircraft at the Company's Consolidated Subsidiaries

As of December 31, 2021, Aviation Capital Group LLC, a wholly owned subsidiary of the Company, had commitments to purchase 90 aircraft (mainly narrow-body) from Boeing, Airbus and other institutions scheduled for delivery through 2028. The estimated aggregate remaining payments for the purchase of aircraft is ¥575,288 million.

### Segment Information
1. Outline of reportable segments

The Company's reportable segments shall be part of its organizational units whose financial information is individually available and shall be subject to regular review by its Board of Directors for the purpose of deciding the allocation of its managerial resources and evaluating its business performance.

The Company's businesses are classified, by type of operating transaction, into the reportable segments: "Equipment Leasing," "Mobility & Fleet Management," "Specialty Financing" and "International Business."

(1) Equipment Leasing--- Leasing and finance (money-lending and investment) including ancillary services and other businesses dealing with information and communications equipment, office equipment, industrial machinery, transportation equipment, and equipment for commercial and service industries

(2) Mobility & Fleet Management--- Automobile leasing for corporate customers and individuals, car rental and car sharing businesses, and others.

(3) Specialty Financing--- Leasing and finance (money-lending and investment) including ancillary services and other businesses focusing on product fields, such as shipping, aviation, real estate, and the environment and energy in Japan and overseas

(4) International Business--- Leasing and finance (money-lending and investment) including ancillary services and fleet services businesses, and others, mainly in East Asia, ASEAN, North, Central and South America

2. Calculation method for amounts for revenues, profit or loss, assets, liabilities and other items by reportable segment

   The accounting method for reportable business segments is based on the accounting standards applied for the preparation of consolidated financial statements. Income of reportable segments is based on ordinary income. Intersegment revenues and transfers are based on prevailing market prices.

3. Information of the amount of revenues, income/loss, assets, liabilities and other items by reportable segment and disaggregated revenue

Fiscal 2020 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

| | Reportable Segment | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Amount shown on the consolidated financial statements (Note 3) |
|---|---|---|---|---|---|---|---|---|---|
| | Equipment Leasing | Mobility & Fleet Management | Specialty Financing | International Business | Total | | | | |
| Revenues | | | | | | | | | |
| Revenues from customers | 525,286 | 338,874 | 234,131 | 100,384 | 1,198,676 | 1,507 | 1,200,184 | ― | 1,200,184 |
| Intersegment revenues /transfers | 786 | 963 | 179 | ― | 1,929 | 140 | 2,069 | (2,069) | ― |
| Total | 526,072 | 339,838 | 234,311 | 100,384 | 1,200,606 | 1,648 | 1,202,254 | (2,069) | 1,200,184 |
| Segment income | 30,434 | 11,451 | 38,330 | 10,681 | 90,898 | 350 | 91,249 | (13,143) | 78,105 |
| Segment assets | 1,489,130 | 629,535 | 2,184,741 | 483,108 | 4,786,516 | 13,938 | 4,800,455 | 802,442 | 5,602,897 |
| Other | | | | | | | | | |
| Depreciation and amortization | 19,781 | 68,343 | 72,089 | 30,199 | 190,413 | 3 | 190,417 | 700 | 191,117 |
| Amortization of goodwill | 4 | 678 | 2,069 | 661 | 3,415 | ― | 3,415 | ― | 3,415 |
| Equity in earnings/loss of affiliates | 3,630 | ― | 1,541 | (1,816) | 3,355 | ― | 3,355 | ― | 3,355 |
| Investment in equity-method affiliates | 100,804 | 4 | 23,105 | 6,810 | 130,723 | ― | 130,723 | ― | 130,723 |
| Increase in property, plant and equipment and intangible assets (Note 4) | 10,950 | 83,797 | 193,431 | 43,043 | 331,223 | 0 | 331,224 | 551 | 331,776 |

Notes: 1. “Other” includes casualty insurance agency business and business-processing services business, which are not included in any reportable segment.

2. Adjustment is as follows:

(1) Adjustment to segment income mainly consists of general and administrative expenses, which are not attributed to reportable segments.

(2) Adjustment to segment assets mainly consists of deposits, etc., which are not attributed to reportable segments.

(3) Adjustment to depreciation and amortization consists of adjustment for corporate assets.

(4) Adjustment to increase in property, plant and equipment and intangible assets mainly consists of adjustment for corporate assets.

3. Segment income is adjusted to ordinary income shown on the Consolidated Statements of Income.

4. Increase in property, plant and equipment and intangible assets does not include increase from newly consolidated subsidiary.

Fiscal 2021 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

| | Reportable Segment Total | | | | | Other (Note 1) | Total | Adjustment (Note 2) | Amount shown on the consolidated financial statements (Note 3) |
|---|---|---|---|---|---|---|---|---|---|
| | Equipment Leasing | Mobility & Fleet Management | Specialty Financing | International Business | Total | | | | |
| Revenues | | | | | | | | | |
| Revenues from customers (Note 4) | 512,256 | 341,169 | 306,952 | 116,749 | 1,277,126 | 849 | 1,277,976 | — | 1,277,976 |
| Intersegment revenues /transfers | 435 | 928 | 155 | 65 | 1,585 | 186 | 1,772 | (1,772) | — |
| Total | 512,691 | 342,098 | 307,108 | 116,814 | 1,278,712 | 1,036 | 1,279,748 | (1,772) | 1,277,976 |
| Segment income | 33,939 | 19,227 | 29,498 | 18,987 | 101,653 | 351 | 102,004 | (11,484) | 90,519 |
| Segment assets | 1,379,734 | 611,769 | 2,311,842 | 557,055 | 4,860,402 | 18,999 | 4,879,401 | 784,386 | 5,663,787 |
| Other | | | | | | | | | |
| Depreciation and amortization | 18,504 | 68,357 | 75,537 | 35,921 | 198,320 | 3 | 198,323 | 696 | 199,020 |
| Amortization of goodwill | 4 | 678 | 2,106 | 729 | 3,519 | — | 3,519 | — | 3,519 |
| Equity in earnings/loss of affiliates | 6,782 | — | 3,578 | (729) | 9,631 | — | 9,631 | — | 9,631 |
| Investment in equity-method affiliates | 113,273 | 4 | 31,049 | 21,997 | 166,324 | — | 166,324 | — | 166,324 |
| Increase in property, plant and equipment and intangible assets (Note 5) | 9,597 | 71,687 | 219,495 | 58,995 | 359,775 | 1 | 359,777 | 539 | 360,316 |

Notes: 1. "Other" includes casualty insurance agency business and business-processing services business, which are not included in any reportable segment.

2. Adjustment is as follows:

(1) Adjustment to segment income mainly consists of general and administrative expenses, which are not attributed to reportable segments.

(2) Adjustment to segment assets mainly consists of deposits, etc., which are not attributed to reportable segments.

(3) Adjustment to depreciation and amortization consists of adjustment for corporate assets.

(4) Adjustment to increase in property, plant and equipment and intangible assets mainly consists of adjustment for corporate assets.

3. Segment income is adjusted to ordinary income shown on the Consolidated Statements of Income.

4. Revenues from contracts with customers included in revenues for the fiscal year ended March 31, 2022 for each of the reportable segments, i.e. Equipment Leasing, Mobility & Fleet Management, Specialty Financing and International Business, were ¥1,816 million, ¥14,509 million, ¥47,104 million and ¥4,271 million, respectively.

5. Increase in property, plant and equipment and intangible assets does not include increase from newly consolidated subsidiary.

4. Matters concerning changes to reportable segments, etc.

As described in “Changes in Accounting Policies,” the Company applied the Revenue Recognition Standard and other standards from the beginning of the consolidated fiscal year under review, and changed the accounting procedures for revenue recognition. As such, the method of calculating revenues and segment income of reportable segments has been changed likewise.

The impact of these changes on revenues and segment income of reportable segments is immaterial.

5. Information concerning impairment loss on non-current assets by reportable segments

Fiscal 2020 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

| | Equipment Leasing | Mobility & Fleet Management | Specialty Financing | International Business | Total |
|---|---|---|---|---|---|
| Impairment loss | — | — | 9,942 | — | 9,942 |

Aircraft assets etc. are partially calculated as impairment loss.

Fiscal 2021 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

| | Equipment Leasing | Mobility & Fleet Management | Specialty Financing | International Business | Total |
|---|---|---|---|---|---|
| Impairment loss | — | — | 26,579 | — | 26,579 |

Assets related to the leasing of aircraft are calculated as impairment loss.

Per Share Information

| | Fiscal 2020 | Fiscal 2021 |
|---|---|---|
| Net assets per share | ¥4,670.45 | ¥5,507.50 |
| Basic earnings per share | ¥402.57 | ¥411.56 |
| Diluted earnings per share | ¥400.68 | ¥409.74 |

Note: Basis for the calculation of net assets per share, basic earnings per share and diluted earnings per share are as follows.

1. Net Assets Per Share

| | Fiscal 2020 | Fiscal 2021 |
|---|---|---|
| Total net assets (Millions of yen) | 688,345 | 795,580 |
| Amount to be deducted from the total net assets (Millions of yen) | 118,173 | 122,556 |
| (of which share subscription rights (Millions of yen)) | (2,504) | (2,432) |
| (of which non-controlling interests (Millions of yen)) | (115,668) | (120,123) |
| Net assets attributable to common stock at the end of the fiscal year (Millions of yen) | 570,172 | 673,024 |
| Number of shares of common stock at the end of the fiscal year, which is used to calculate net assets per hare (Thousands of shares) | 122,080 | 122,201 |

2. Basic Earnings Per Share and Diluted Earnings Per Share

| | Fiscal 2020 | Fiscal 2021 |
|---|---|---|
| Basic earnings per share | | |
| Net income attributable to owners of parent (Millions of yen) | 49,145 | 50,290 |
| Amount not attributable to common shareholders (Millions of yen) | — | — |
| Net income attributable to owners of parent attributable to common stock (Millions of yen) | 49,145 | 50,290 |
| Weighted average number of shares of common stock during the year (Thousands of shares) | 122,080 | 122,194 |
| | | |
| Diluted earnings per share | | |
| Adjustments to net income attributable to owners of parent (Millions of yen) | — | — |
| Increase in number of shares of common stock (Thousands of shares) | 575 | 542 |
| (of which number of share subscription rights (Thousands of shares)) | (575) | (542) |
| Overview of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effect | — | — |

Significant Subsequent Events

(Russia's invasion of Ukraine)
Following Russia's invasion of Ukraine on February 24, 2022, the United States, the European Union (EU), the United Kingdom, Japan, and other countries imposed widespread economic sanctions on Russia's industries and stakeholders. These economic sanctions include prohibitions regarding the supply of aircraft and maintenance parts to Russia, including the leasing of aircraft.

Aviation Capital Group LLC (hereinafter, "ACG"), a consolidated subsidiary of the Company, complied with the relevant economic sanctions, and as well as terminate all aircraft leases to Russian airline companies, undertook various measures to repatriate the aircraft. However, as a countermeasure to these economic sanctions, Russia has enacted a decree that allows overseas-registered aircraft leased from overseas lease companies to be reregistered and operated within Russia, and the prospect of repatriating 8 aircraft whose leases have been terminated continues to remain uncertain.

As of March 31, 2022, ACG has approximately $600 million exposure to Russian airline companies (total of 8 owned aircraft, financing and loan guarantees). Since it is difficult to estimate future cash flows for the 8 leased aircraft, we expect to record the entire book value of approximately $380 million (approximately ¥46 billion when converted at the rate of ¥120 per dollar) as an impairment loss. The settlement date for ACG is December 31; therefore, the loss will be reflected as an extraordinary loss in the consolidated financial statements for the next consolidated fiscal year April 1, 2022 to March 31, 2023).

ACG insures for such exposure, and has already exercised the claim with the insurance company.

## 4. Supplementary Information

(1) Operating Transactions

Balance of Segment Assets (as of March 31, 2022)

(Millions of yen)

| Classification | | As of March 31, 2021 | | As of March 31, 2022 | |
|---|---|---|---|---|---|
| | | Amount | Share (%) | Amount | Share (%) |
| Reportable Segment | Equipment Leasing | 1,489,130 | 31.0 | 1,379,734 | 28.3 |
| | Mobility & Fleet Management | 629,535 | 13.1 | 611,769 | 12.5 |
| | Specialty Financing | 2,184,741 | 45.5 | 2,311,842 | 47.4 |
| | International Business | 483,108 | 10.1 | 557,055 | 11.4 |
| | Total for Reportable Segments | 4,786,516 | 99.7 | 4,860,402 | 99.6 |
| Other | | 13,938 | 0.3 | 18,999 | 0.4 |
| Total | | 4,800,455 | 100.0 | 4,879,401 | 100.0 |

(Reference)

(Millions of yen)

| | Fiscal 2020 | Fiscal 2021 |
|---|---|---|
| Business guarantees | 138,699 | 170,334 |