Century Tokyo Leasing Corporation

ANNUAL REPORT 2010

Make New Business with LEASING

Profile

April 1, 2009 marked the launch of Century Tokyo Leasing Corporation ("TC-Lease"), a merger between Century Leasing System, Inc., a specialist in information and communication equipment leasing and IT services, and Tokyo Leasing Co., Ltd., well known for its strong finance capabilities and international network.

This integration of business partners that each represent a broad array of interrelated businesses, from trading companies and financial institutions to real estate companies, affording us a distinct advantage. While providing advanced, high value-added services with greater functionality, we address the global leasing and financing needs associated with our customers' overseas business strategies.

Make New Business with Leasing

We are committed to growing together with our customers and to contributing to society by offering comprehensive, solutions-oriented financing services.

Contents

Forward-Looking Statements

Statements in this annual report with respect to Century Tokyo Leasing Group's plans, forecasts, strategies, presumptions, and other statements that are not historical facts are forward-looking statements, and are based on management's assumptions and beliefs grounded on information that was available when this report was written. The actual performance of the Company may differ considerably from that discussed in the forward-looking statements.

Maximizing Merger Synergies and Moving to the Next Stage of Growth

Customer Base

Information Resources

Broad Customer Base and Robust Network Involving Major Shareholders and Manufacturers

COST COMPETITIVENESS

FUND PROCUREMENT

TC-Lease

Accumulation of Knowledge on Tangible Assets, Sophisticated Financing Capabilities and Global Network

Human Resources

Product Lines

No.1 Ordinary income

¥33.4 billion*

No.2 Balance of operating assets

¥1,938 billion*

(Including balance of operating assets in leasing/installment sales, ¥1,611 billion)

No.1 Value of new contracts for information and communication/office equipment

¥241.3 billion*

No.3 Vehicle units under management in automobile leasing business

394,000 vehicles**

* Figures for companies other than Century Tokyo Leasing are based on the IR materials of other listed companies that have adopted accounting standards generally accepted in Japan

**Based on a March 2009 survey by *Nikkan Jidosha Shimbun*

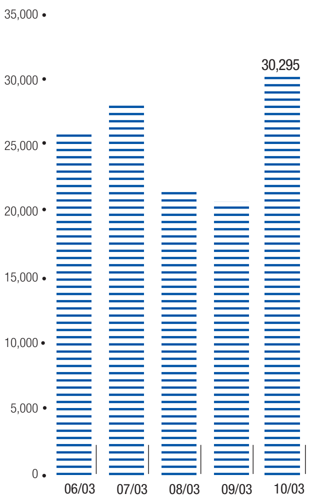
FINANCIAL HIGHLIGHTS

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31

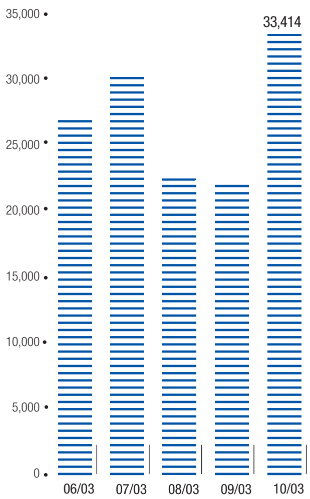
	Millions of yen		Thousands of U. S. dollars
	2009	2010	2010
Operating Results			
Revenues	¥ 742,948	¥ 758,674	$ 8,154,283
Operating income	20,897	30,295	325,618
Ordinary income (Income before extraordinary items and income taxes)	22,275	33,414	359,138
Net income	10,029	25,542	274,523
Financial Condition			
Total assets	¥2,423,800	¥2,132,892	$22,924,467
Operating assets	2,100,016	1,937,955	20,829,271
Interest-bearing debt	2,053,766	1,749,776	18,806,705
Net assets	133,222	158,116	1,699,440
Per Share Data	Yen		U. S. dollars
Net income	¥ 94.05	¥ 239.57	$ 2.57
Net assets	1,174.11	1,410.61	15.16
Dividends	28.00	32.00	0.34
Significant Indicators	%		
Return on equity (ROE)	8.0	18.5	—
Return on assets (ROA)	1.0	1.5	—
Equity ratio	5.2	7.1	—

Notes
1. Figures for the year ended March 31, 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd. The merger ratio has been factored into per share data. Dividends are those paid by the former Century Leasing System, Inc.
2. Translated at ¥93.04 = US$1.00, the approximate rate of exchange on March 31, 2010.

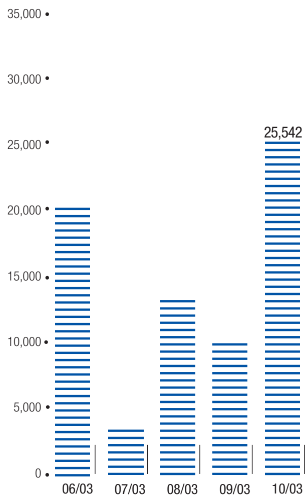
Operating Income (Millions of yen)



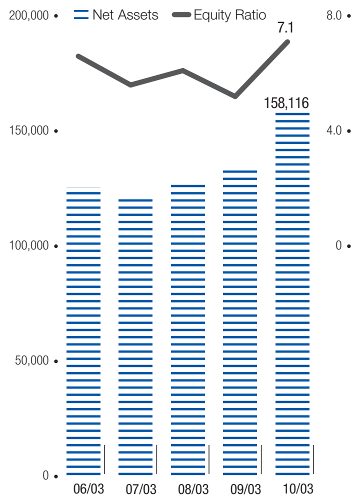
Ordinary Income (Millions of yen)



Net Income (Millions of yen)



Net Assets (Left: millions of yen)
Equity Ratio (Right: %)



Graph figures for the years ended March 31, 2006 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

STRENGTH *through* INTEGRATION

A year has passed since the launch of Century Tokyo Leasing Corporation, formed through the merging of Century Leasing System, Inc. and Tokyo Leasing Co., Ltd. We have faced a challenging time in a severe operating environment; however, we have been able to produce positive results in this short period thanks to the aggressive implementation of various measures aimed at rapidly realizing synergies.

In fiscal 2009, the fiscal year ended March 31, 2010, we at the Century Tokyo Leasing Group worked to knit together our two core strengths. The first is a stable balance of assets supported by a firm business foundation. In addition to a strong lineup of major shareholders—including the Mizuho Group, ITOCHU Corporation, Nippon Tochi-Tatemono Co., Ltd. and Nippon Life Insurance Company—we have realized a framework that allows the full utilization of a robust customer base and channel structure as well as one of Japan's top-ranking international networks in the leasing industry. Furthermore, our stable operating asset balance has enabled us to constrain credit costs, which, in turn, enabled us to post in our first year our highest ever ordinary income as calculated on the basis of a simple aggregation of the two pre-merger companies' results.

The second core strength is the Group's unique business model. Leasing companies are, in general, less susceptible to regulations compared with other types of financial businesses. In addition to leasing, we may take up finance, investment or even business management. Anticipating a period of change in the domestic leasing market, we have deepened our roots in information equipment leasing to enhance our tangible asset appraisal functions, financing and overseas businesses with the purpose of further strengthening businesses that take advantage of our core competencies.

The integration of these two core strengths has worked not only to support the expanded scale generated by the merger but also to streamline businesses and subsidiaries, enabling the industry's fastest IT system integration. With an eye to taking advantage of future synergies, the construction of our foundation has indeed made this a valuable first year.

Based on the "evolution scenario for maximizing merger synergies and moving to the next stage of growth," in April 2010 we commenced our first new medium-term management plan. Over the next three years, we aim to take new steps and achieve growth as an industry leader.

To all of our valued stakeholders, we thank you and hope for your continued support and understanding.

Takao Arai, Chairman and Co-CEO

Shunichi Asada, President & CEO

CREATING A NEW LEASING COMPANY *through* THE MERGER

The merger of Century Leasing System, Inc., a powerhouse in the information equipment leasing and IT services fields, and Tokyo Leasing Co., Ltd., with its financial expertise and robust Asian network, produced Century Tokyo Leasing Corporation, a company able to offer a diverse array of services and to expand globally in the leasing and financial fields. Applying a new business model for the leasing industry, we are striving to further strengthen our operations.

Increased Revenue and Income in the First Fiscal Year of the Merger

Consolidated results in the fiscal year ended March 31, 2010, the first year of the merger, included a 2.1% rise in revenue (compared with a simple aggregate of both pre-merger companies' results) from the corresponding period of the previous fiscal year, to ¥758.7 billion.

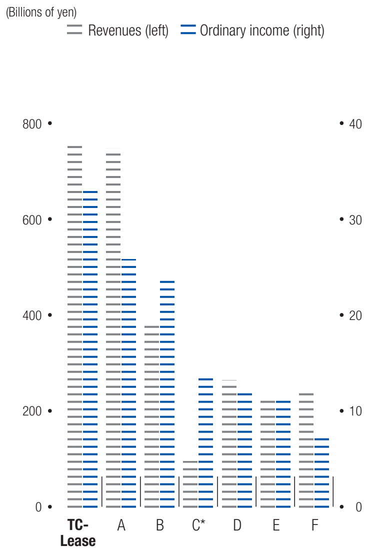
Confronted with a severe operating environment, the balance of operating assets declined 7.7% from the end of the previous fiscal year to ¥1,938 billion. However, the fall in revenue associated with the decline in operating assets was offset by the first full-year contribution of Fujitsu Leasing Co., Ltd., which became a consolidated subsidiary in the previous period, resulting in an overall increase in revenues.

On the earnings front, as a result of our efforts to improve profit-earning capacity by reducing funding and credit costs while controlling other management costs, operating income jumped 45.0% compared with the previous fiscal year, to ¥30.3 billion. Moreover, at ¥33.4 billion, ordinary income, which was up 50.0%, was at the highest ever calculated based on a simple aggregate of the pre-merger companies' results. With the added benefit of increased income in line with the conclusion of certain litigation entered into by the former Tokyo Leasing in 2007, net income rose 154.7% year on year to ¥25.5 billion.

ROA of 1.5% on Increased Profit-Earning Capacity and Reduced Assets

Total assets were down 12.0% from the end of the previous fiscal year, to ¥2,132.9 billion, the result of a contraction in cash on hand and in banks. Favorable earnings and reduced total assets resulted in return (ordinary income) on total assets (ROA) rising from 1.0% to 1.5%. Also compared with the end of the previous fiscal year, net assets increased ¥24.9 billion to ¥158.1 billion, for an increase in return (net income) on equity (ROE) to 18.5%, up from 8.0%, and an equity ratio that rose from 5.2% to 7.1%.

Results (Market Position)



*Value of revenue for C company is operating revenue.
Source:Compiled by Century Tokyo Leasing using IR materials from listed companies that have adopted accounting standards generally accepted in Japan.

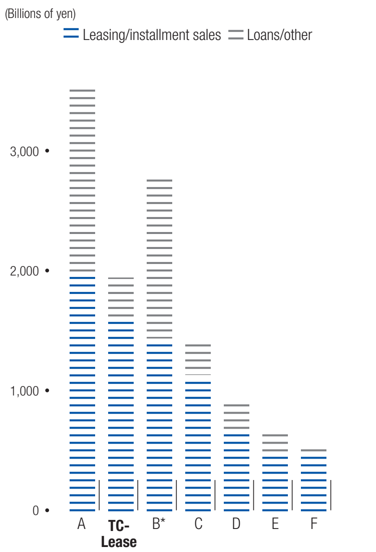
Q: What progress was made in the first year of the merger?

A: The Group tackled three important issues over the past year: 1) building a stronger sales base and enhancing sales capabilities; 2) strengthening management cost control to raise corporate earnings power; and 3) bolstering our management base and management efficiency.

The merger provided the impetus to move forward with solution-oriented sales activities that leverage a more robust customer base, including such shareholder channels as the Mizuho Financial Group and ITOCHU Corporation. We did, however, feel the effects of cutbacks in private capital expenditure (CAPEX) in what proved to be a year that challenged us with a difficult operating environment. These conditions together with operations that progressed in parallel with the Group's efforts at integration impacted the value of new contracts executed in the form of a year-on-year decline of 25.1% to ¥624.2 billion.

In terms of profit and loss, our market position advanced with the posting of industry-leading ordinary income among listed companies that have adopted Japan GAAP. We also achieved our goal of maintaining a position among the industry's top three companies with regard to the balance of operating assets for leasing and installment sales.

Balance of Operating Assets (Market Position)



* For B company, the balance of leasing is loans receivable and that of installment sales is included under other businesses.
Source: Compiled by Century Tokyo Leasing using IR materials from listed companies that have adopted accounting standards generally accepted in Japan.

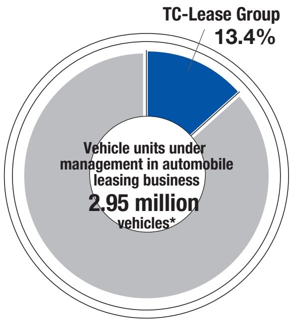
MAXIMIZING THE SYNERGIES *of* INTEGRATION

Generating Early Synergies

As the business environment surrounding the leasing industry undergoes a significant shift, the Century Tokyo Leasing Group, continues to realize the effects of integration, having begun by posting record-breaking ordinary income in the fiscal year ended March 31, 2010. On schedule, in May the former companies finished integrating their IT systems and, now unified, are embarking on a new medium-term management plan.

Market Share of Vehicle Units under Management in Automobile Leasing Business

(As of March 31, 2010)



*Source: Japan Automotive Leasing Association

Q: Specifically, what were the results attributable to sales measures?

A: In July we acquired 66.5% of shares in IHI Finance Support Corporation (IFS), bringing it into the scope of Group consolidation. This move extended our customer base to encompass the IHI Group and its partners, which achieved progress in the areas of leasing, factoring of receivables and a wide variety of transactions while contributing to customer profit by enabling value-added services.

Tokyo Auto Leasing Co., Ltd. has acquired assets associated with the auto leasing business of Sumishin Panasonic Financial Services Co., Ltd., and in tandem with this has signed an agreement with that company for the consignment of its auto leasing operations. As a result, the entire Group, including Nippon Car Solutions Co., Ltd. and Orico Auto Leasing Co., Ltd., now manages approximately 400 thousand vehicles. The addition of Sumishin Panasonic Financial Services' auto leasing operations has enhanced our sales base and placed us firmly among the industry's largest three auto leasing operators. We are also taking strategic steps toward expanding business domains and through collaboration and M&A activities with major manufacturers we intend to expand the range of Group business.

Q: What is the status of your management cost control?

A: The fiscal year under review was witness to a number of corporate bankruptcies, but the Group was able to minimize the generation of bad debt thanks to its stable balance of assets. We conducted stringent credit assessments and endeavored to enhance our credit management framework while suppressing credit costs. Along with controlling interest rate risks, securitization risks and other market risks through asset liability management (ALM), we took advantage of favorable changes in the commercial paper market to increase the balance of commercial paper issued and concentrated efforts on reducing interest expenses.

Q: What efforts were made to strengthen the Group's management base and raise management efficiency?

A: Our efforts to strengthen compliance, internal control, risk management and other internal structures have resulted in a stronger management base. Along with the integration of redundant sales bases and Group company operations and the streamlining of subsidiaries in China, we completed the industry's fastest IT system integration in May 2010. We have also undertaken numerous measures to rapidly exploit the synergies generated by the merger and have made proactive efforts to enhance management efficiency.

Q: How are you progressing with reductions in operational costs?

A: There is still much work to be done regarding cost synergies. Our first-year progress may well get a passing grade, but we intend to take ongoing measures over a four- to five-year span to improve management efficiency. Enhancing cost efficiency is an important management issue if we are to raise competitiveness in the current business environment. Therefore, we continue to pursue operations that take cost effectiveness into account.

Aiming to achieve further growth by executing a medium-term management plan that addresses an evolving business environment

Q: Please discuss the changing business environment in the leasing industry.

A: Over the fiscal year under review, private CAPEX in Japan fell 18.3% compared with the previous fiscal year to ¥63 trillion, while total lease transaction was ¥4.9 trillion, a decline of 18.7 percentage points from the previous fiscal year, and the share of leasing included in CAPEX was 7.0%. Deflation and the strong yen are causes for concern, and companies are shifting production to overseas locations—this has led us to believe that domestic private CAPEX trends will not grow beyond current levels for the foreseeable future. Furthermore, in light of the fiscal 2008 change in the Accounting Standard for Lease Transaction and the application of International Financial Reporting Standards (IFRS), we are maintaining a conservative stance in forecasting the share of leasing included in CAPEX.

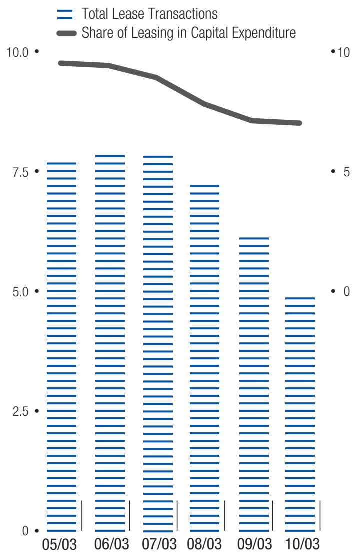
With regard to the procurement of funds, the unchanging low market interest rate means that there is little chance that procurement costs will rise significantly any time soon. On the other hand, small- to medium-sized companies continue to be faced with a harsh earnings environment and worries remain that bankruptcies will increase.

Q: How do you see the Company's future position?

A: In every market around the world there is a trend toward increasingly stringent laws to regulate the financial sector of which we are a part. At the same time, the leasing industry's comparatively greater level of flexibility within the sector means it is more likely to take action in areas where the needs of society exist.

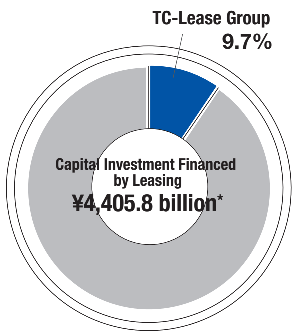
Having executed this merger, the Group is backed by its human resources, investment capabilities, customer base and the strengths of its major shareholders. By fully leveraging these assets, we think the Group's opportunities will only increase in the future.

Total Lease Transactions
(Left: trillions of yen)
Share of Leasing in Capital Expenditure
(Right: %)



Source: The Japan Leasing Association
Total Lease Transactions: Lease Contract Amounts
Share of Leasing in Capital Expenditure:
Share of Lease Capital Expenditure in Private Capital Investment

Market Share Based on Lease Contracts Executed
(Year ended March 31, 2010)

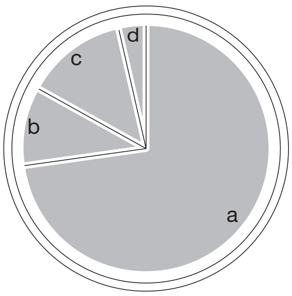


*Source: The Japan Leasing Association
Lease Contracts Executed:
Amount of Capital Investment Financed by Leasing
Amount for Purchase of Leased Assets

Q: Please give us an overview of the new medium-term management plan.

A: We launched the new three-year medium-term management plan from April 1, 2010 as an "evolution scenario for maximizing merger synergies and moving to the next stage of growth." Our basic policy under the plan is to thoroughly implement customer satisfaction-oriented management and strengthen our management base. We will pursue development in our core business in order to keep pace with market evolution as well as to take steps to strategically expand our business domains. In so doing, we are aiming to break new ground and achieve growth as an industry leader.

Balance of Operating Assets by Business Segment
(March 31, 2010)



a. Leasing	72.8%
b. Installment sales	10.4%
c. Loans	13.2%
d. Other	3.6%

Q: Please tell us how your core business is adapting to address change.

A: Together with promoting sales activities that take full advantage of our customer base and sales channel structure, and creating areas of expertise with regard to tangible assets, businesses and fields, we are working to flexibly expand our financing business that only a non-bank can offer. Synergies yielded by the merger will help boost the market shares of our leasing and installment sales businesses, and we will strive to sustain the amount of operating assets—including those undertaken due to the merger—to a certain level. On the other hand, we plan to grow the ratio of asset portfolio accounted for by our finance-related business, currently at about 20% on a unit basis, to approximately 30% within three years.

Q: Please describe your strategic development.

A: The three themes that best describe our efforts in business domain expansion are "globalization," "potential growth areas," and "alliances." While globally expanding business domains through our industry-leading international network, we will concentrate on developing what will become pillars of future earnings by aggressively moving forward in fields where growth is anticipated. To these ends, we will effectively use Group customer and shareholder bases in our information network. It is also necessary to enter into strategic relationships and collaborations with new customers.

Q: Please update us on your overseas business development.

A: We are expanding overseas, having designated China and the rest of Asia as a particularly strategic region. With five Group companies based in Asia at present, our overseas subsidiaries' total assets amount to almost ¥70.0 billion, and we expect this to grow approximately 20% in the current fiscal year. Our two China-based subsidiaries merged in January 2010 and commenced business as Century Tokyo Leasing China Corporation. Business is brisk backed by a partnership with a major construction machinery vendor.

We are concentrating management resources to bolster profits at our Asian locations and, by strengthening ties with domestic sales divisions, are enlarging sales bases that meet the CAPEX needs of Japanese companies overseas.

Q: What are the fields of anticipated growth?

A: The environment and energy, food and agriculture, medical and welfare services are all fields we consider to have good growth potential. For example the environment and energy fields can expect enormous growth worldwide, and we are looking to them in our efforts to secure new business foundations and nurture sources of income. In food and agriculture, we are aiming to develop a new financing scheme and to build a new business foundation. And, in medical care and welfare services, we are developing customers and suppliers and promoting collaborative relationships with the goal of increasing volume of transactions handled.

Q: Please tell us about the IT-related services business.

A: We are concentrating on asset management that meets our customers' outsourcing needs. We offer LINCS, a service that manages leasing contract information via the Web and C-x, an integrated asset management service that uniformly manages a wide range of asset information. These proprietary IT solutions are recognized as exceptional cutting-edge services.

In the fiscal year under review, we partnered with trust banks and others, leveraging C-x to develop new asset collateral loan schemes. By linking our asset management know-how with the functions of a financial institution, this scheme systemized asset collateral management and expanded collateral processing functions. We take pride in these efforts having contributed to the spread of asset-based lending (ABL).

Q: What is your stance on alliance and M&A activities?

A: The consolidation of IFS and Sumishin Panasonic Financial Services' auto leasing business contributed substantially to performance in the fiscal year under review. Alliances and M&A focusing on major manufacturers who offer synergies in the leasing business are a significant part of Group business strategy. By tying up with the Group, these leading manufacturers can receive more sophisticated financial services and raise the level of their outsourcing services and other financial functions, enabling an efficient corporate structure that allows them a greater concentration of management resources in their main business areas. For us, on the other hand, these M&A activities enable the acquisition of exceptional assets and know-how while expanding our business base and market share.

Q: What are the management targets of the new medium-term management plan?

A: In fiscal 2012, the final year of the new medium-term management plan, we have set goals for ordinary income of more than ¥35.0 billion, up from ¥33.4 billion in fiscal 2009, a balance of operating assets of over ¥2,000 billion, compared to the ¥1,938 billion in fiscal 2009, and a shareholders' equity ratio of 8.5%, rising from 7.1%.

While the effect of upfront profits in line with changes to the Accounting Standard for Lease Transactions is diminishing, we aim to build a new foundation that can address a changing business environment, and have established a target of sustainable growth. This signifies our even greater level of determination.

Management Targets of the New Medium-Term Management Plan

FY2012 Targets
Ordinary income **More than ¥35 billion**
Balance of operating assets **Over ¥2,000 billion**
Shareholders' equity ratio **Over 8.5%**

LEASING AND AN ARRAY of SERVICE

Building a New Business Centered on Leasing

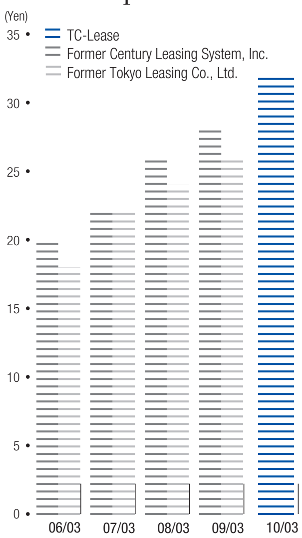
As we work toward attaining the management targets of the new medium-term management plan, we will continue solidifying our position in the industry's top three, and, as a comprehensive finance and service company that eagerly accepts challenges, we intend to grow with our customers and contribute to society.

Outlook for Fiscal 2010: Decreased Revenue, Increased Income

We anticipate major changes in the operating environment given the sluggishness of private CAPEX, the continuing high rate of bankruptcies and the overall severity of the business environment as well as the implementation of IFRS and globalization of Japanese companies. Prompted by this outlook, we continue to pursue operations that fully leverage our customer base while working to reduce interest expenses and credit costs and raise profitability.

Regarding consolidated results for the fiscal year ending March 31, 2011, we expect to see a 9.1% year-on-year decline in revenue to ¥690.0 billion in line with a fall in operating assets. Operating income, on the other hand, is forecast to climb 4.0% to ¥31.5 billion, buoyed by financing and overseas businesses, and ordinary income is expected to edge up 1.8% to ¥34.0 billion. Net income is predicted to fall 23.7% to ¥19.5 billion as factors that had increased income by approximately ¥7.2 billion in line with the end of litigation no longer apply. Excluding these extraordinary factors, net income increased by 6.5%.

Dividends per Share



Aiming to Raise the Dividend Payout Ratio

In addition to working to bolster retained earnings to maximize corporate value, the Group maintains a basic policy of securing the long-term and stable return of dividends to shareholders. In the fiscal year under review, we raised dividends to ¥2 per share higher than we had initially planned that, with the ¥2 dividend awarded to commemorate the merger, resulted in a total annual dividend of ¥32 per share. In light of current economic conditions and business environment, for the year ending March 31, 2011, we plan a total annual dividend, comprising an interim dividend of ¥16 and an end of period dividend of ¥16, of ¥32.

The dividend payout ratio for the fiscal year under review amounted to 13.4%. This is expected to rise to 17.5% in the fiscal year ending March 31, 2011. We will work to enhance income and growth by steadily executing the raft of measures stated in the new medium-term management plan. In tandem with this, it is our intention to work to increase dividends and raise the payout ratio with the goal of further returning profits to shareholders.

Taking the Medium- to Long-Term Perspective as We Expand Our Network of Sales Bases

We believe that the initiatives implemented under the new medium-term management plan will from fiscal 2012 set us on course for all-out growth. We will advance the leasing, installment sales and financing businesses, broadening the range of fields where we can offer an increased level of expertise. Overseas, we are considering the establishment of new bases that will fortify our earnings base in Asia. We will also concentrate efforts on the pillars of future earnings in anticipated growth fields.

By moving forward and actively pursuing transformation to ensure steady growth, we aim to achieve ever greater heights in the medium to long term. To this end, we hope for your continued support and encouragement.

SPECIAL FEATURE:

MAKE NEW BUSINESS *with* LEASING

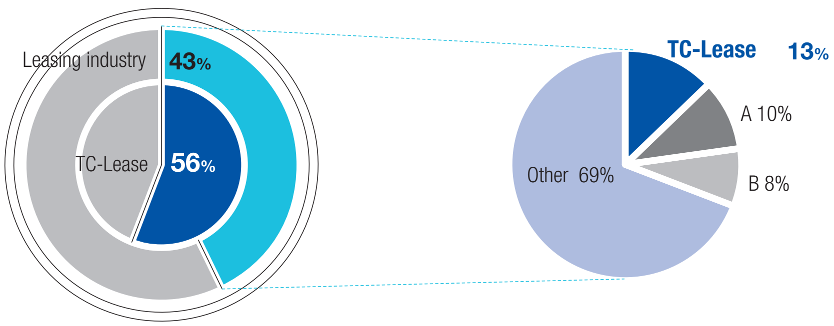
Century Tokyo Leasing Corporation has positioned its new medium-term management plan as an "evolution scenario for maximizing merger synergies and moving to the next stage of growth." Promoting customer satisfaction-oriented management and a strengthened management foundation, the Company will work to develop a core business that can adapt to change while strategically expanding its business domains.

INFORMATION *and* COMMUNICATIONS/ OFFICE EQUIPMENT

Offering new products and services that utilize its expertise in the information equipment field, Century Tokyo Leasing is taking steps to strengthen its asset management services and remarketing business.

Industry-Leading Information and Communications Equipment Leasing

Information and Communications/Office Equipment
Share of the Value of New Lease Contracts Executed
(Year ended March 31, 2010; Graph based on listed company ranking data found by TC-Lease)



The leasing of information and communications/office equipment is the Group's forte. In the fiscal year under review the value of new lease contracts executed amounted to ¥241.3 billion, or 56% of the Group's consolidated total. In addition to operating a sales division dedicated specifically to information equipment, Fujitsu Leasing Co., Ltd., which primarily leases IT-related equipment, is a major domestic subsidiary that puts the Group at the top of the industry in terms of value of new information and communications equipment leasing contracts executed.

The portfolio of Company services covers everything from equipment installation to disposal. To meet customer needs, asset management services, remarketing for disposal of assets and other services are provided based on top-notch expertise.

Placing importance on maintaining the value of tangible assets, the Company will continue to utilize its long-cultivated customer base, alliances with makers and dealers, and relationships with shareholders to further bolster its sales base.

Refurbishment Business

Enhancing Company Expertise in the Area of Asset Disposal by Strengthening Refurbishment Business

Strength in IT leasing
- High quality, high specifications
- Stable, large-volume end of lease assets

Appropriate Data Deletion
- Implemented to guard against information leaks
- Adopted a data-deletion method that complies with standards set by the United States Department of Defense

Enhancing Added-Value
- Refurbishment Operation
- Environmental Protection

Acquisition of ISO/IEC 27001 and ISO 14001 certifications

TC-Lease Brand

Sold in market

The Century Tokyo Leasing Group promotes initiatives that emphasize the value of tangible assets. As one element of this, the Group's PC Security Recycling Center and TRY Inc., both of which have acquired ISO/IEC 27001[1] and ISO 14001[2] certification, are now operating a refurbishment business focused on the reuse and recycling of PCs.

The refurbishment of PCs for reuse and recycling involves completely deleting data in accordance with thorough security management standards. Known by customers for reliable and safe information leak countermeasures, Century Tokyo Leasing-branded PCs have earned high marks from those in the used computer market for their high quality and reusability and because they are available through a stable supply structure that is able to consistently deliver mass volumes. This initiative is linked to the reduction of industrial waste and is helping contribute to the formation of a recycling society.

The refurbishment business's sales volume in the period under review fell 21% to 111,000 units compared to the previous fiscal year due to anemic capital investment Revenue also declined, falling 34% to ¥1.2 billion on a drop in unit prices. In the current fiscal year, however, replacement demand is expected to lift PC sales.

Notes 1: ISO/IEC 27001 is the international standard for information security management systems.
2: ISO 14001 is the international standard for environmental management systems.

Reuse and Recycling of PCs

	08/03	09/03	10/03
Revenues (Billions of yen)	2.28	1.75	1.16
No. of PCs handled (Thousands, approx.)	115	141	111

Figures for the years ended March 31, 2008 and 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Strengthening Asset Management Services

To enhance customer convenience, Century Tokyo Leasing has developed services that focus on property management. One such service is LINCS, which offers the Web-based management of lease contracts. Another service is C-x, an integrated asset management system that no matter what the leased property is, can comprehensively handle relevant information, including customer assets.

The integrated asset management service C-x is a cloud-computing service that manages lease contracts for and information on a wide variety of corporate assets—from equipment and machinery and fixtures and fittings to vehicles. Highly flexible, the service allows customers to freely set their management categories. In addition, as a record of the entire process can be generated internal control requirements can be satisfied.

Able to do more than manage assets, C-x can handle a number of new financial schemes. For example, the system allows the tracking of raw materials, work in progress and products held by customers, providing a "visualization" that can be used by management in tandem with shipping information. Moreover, C-x makes it feasible for financial institutions to collateralize stock—a financial conservation measure previously difficult to perform. What C-x does in this regard is to provide a way to conceptually manage assets on an individual basis. In October 2009, Century Tokyo Leasing developed a new, asset-based lending (ABL) scheme, now patent pending, that leverages its alliances with trust banks and other financial institutions, entrusting them with C-x-based security warranties.

Addressing questions of internal control and preparing for the application of IFRS are issues that make business management increasingly burdensome for customers. Offering a high-quality IT service that can assuage these concerns enables Century Tokyo Leasing to rise above others in the leasing industry, differentiating itself from competitors with its extensive capabilities.

LINCS

LINCS for Web-based integrated management of lease contracts and property

- Comprehensive management of lease contracts and property information by reference to and acquisition of lease contract information and property spec sheets
- Simple, Web-based processes for information updates and lease renewals
- Management of financing and accounting based on accounting information (financial notes and on-balance sheet data) and payment schedules

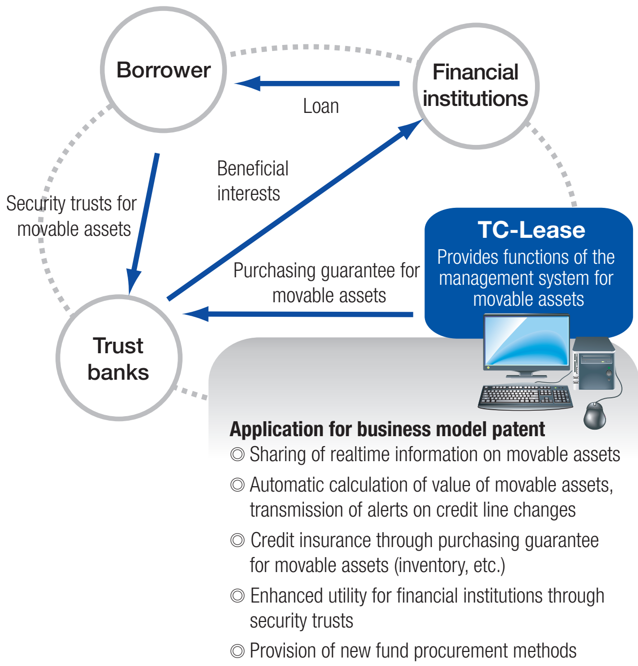
C-x
Integrated asset management system

C-x for integrated management of customer assets

- Integrated management service handling comprehensive property-related contract information and contract history, etc., which responds effectively to internal control requirements
- Gradually building a track record of completed contracts centered on major listed corporations and medium-sized enterprises
- Business alliance with leading accounting software vendor Pro-Ship Incorporated to integrate asset management and accounting under new standards for leasing through a linkup with C-x

Asset-based lending (ABL) scheme

Development of an asset based lending scheme that utilizes the management system for movable assets and security trust



AUTOMOBILE LEASING BUSINESS

Moving forward on further strengthening its automobile leasing operations as one pillar of a core business that can adapt to change

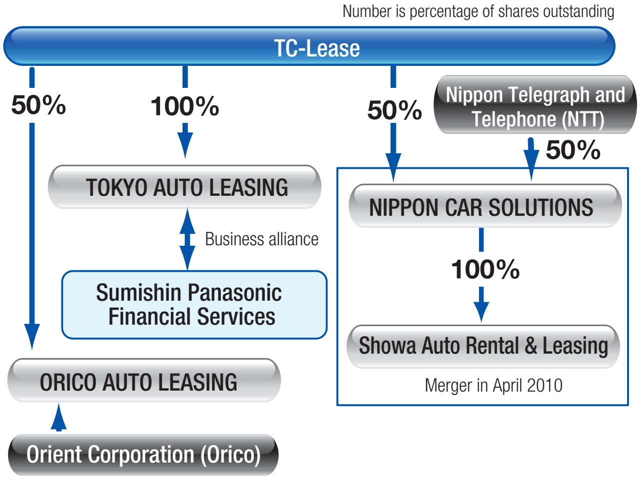
A Solid Network Leveraging the Capabilities of Group Companies

The Group's automobile leasing business is well-anchored by corporate customer-focused Nippon Car Solutions Co., Ltd. (NCS) and Tokyo Auto Leasing Co., Ltd. (TALC), and for individual customers, Orico Auto Leasing, Co., Ltd. (OAL), a 50:50 joint venture held with Orient Corporation.

At the end of the fiscal year under review, the automobile leasing industry in Japan saw the number of vehicles under management decline 3% compared with the end of the previous fiscal year. The Century Tokyo Leasing Group, however, increased the number of vehicles it manages 6% over the same period, to 394 thousand units, to establish a firm presence among the top three companies in the industry.

Automobile Leasing Group Companies (As of March 31, 2010)

Number is percentage of shares outstanding



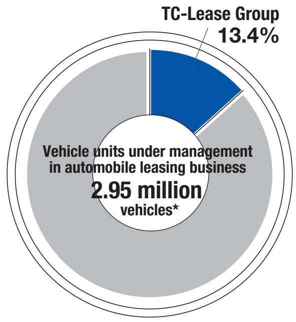
Measures to Augment Customer Base in Fiscal 2009

In April 2010, NCS absorbed through a merger the subsidiary Showa Auto Rental & Leasing Co., Ltd. (SARL). This merger endowed Century Tokyo Leasing with the benefits of the merger including overwhelming sales capabilities, creating the synergistic effects of economies of scale and fortifying earnings capabilities.

Furthermore, in July 2009, TALC acquired approximately 14 thousand vehicles and leasing receivables associated with the automobile leasing business of Sumishin Panasonic Financial Services Co., Ltd., together with a consignment agreement for that company's automobile leasing business. This not only gave TALC a new sales base in the form of the Panasonic Group and its regional electronics stores, but helped to boost the number of vehicles managed by the Century Tokyo Leasing Group.

Market share of vehicle units under management in automobile leasing business

(As of March 31, 2010)



*Source: Japan Automotive Leasing Association

LOAN BUSINESS

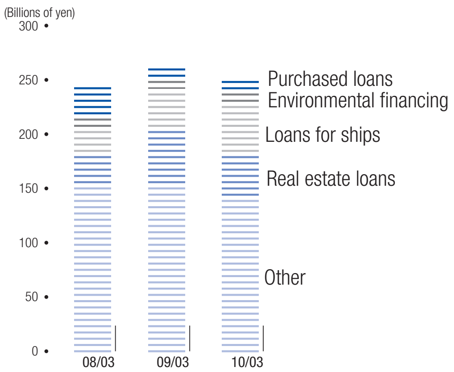
In addition to an expanding finance business that boasts the flexibility that only a non-bank can offer, Century Tokyo Leasing is taking the initiative in such fields as the environment and other areas of anticipated growth.

Offering Tailor-Made Financial Services

Under the new medium-term management plan, the Company is targeting operating assets of ¥2,000 billion or more by March 31, 2013. While halting the fall of operating assets in the leasing and installment sales areas, the Company aims to achieve its numerical targets by expanding its finance business. Century Tokyo Leasing intends to strengthen origination functions, developing proprietary systems and products to differentiate itself as well as expanding its involvement in the real estate field to secure the foundations of new businesses in anticipated fields of growth.

At the end of the fiscal year under review, approximately 20% of Century Tokyo Leasing's asset portfolio was finance related. The Company plans to increase this proportion to 30% within three years.

Balance of operating assets (Non-consolidated)



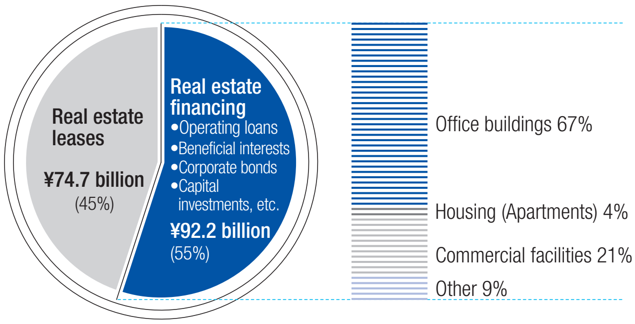
Figures for the years ended March 31, 2008 and 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Expanding the Real Estate Business Domain

At the end of the fiscal year under review, the Group's real estate-related transactions could be broken down to approximately 40% real estate leases with an emphasis on shopping centers and other properties and approximately 60% finance-related transactions, such as those involving real estate loans, beneficial interests, corporate bonds and investments. Century Tokyo Leasing primarily focuses on office buildings in metropolitan areas, with its main efforts to support properties that have the involvement of major real estate companies and other significant sponsors. Moving forward, the Company hopes to expand information channels by advancing collaborative relationships with influential partners. It will also take into consideration how to expand its activities in the real estate business domain.

Development of real estate-related transactions (Non-consolidated)

(Year ended March 31, 2010)



Grand total: ¥166.9 billion

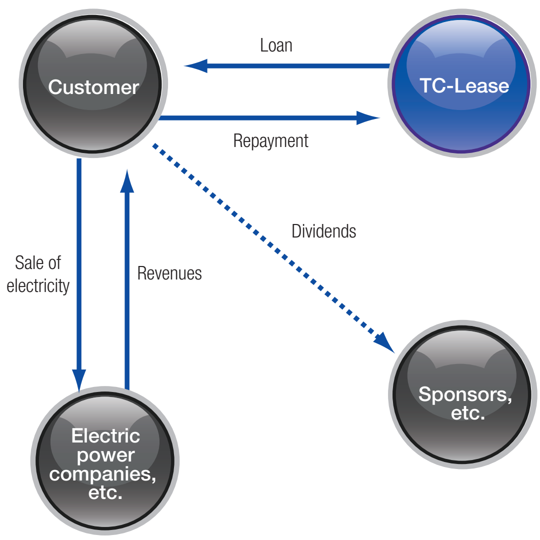
Active Development in Anticipated Growth Fields

To realize finance-related business expansion, the key will be to concentrate Company efforts in anticipated growth fields. Century Tokyo Leasing has positioned the environment and energy, food and agriculture, and medical and welfare services as three fields where growth can be anticipated, and will move ahead by effectively using the Group's customer and shareholder bases as sources of information, identifying companies for strategic partnerships and developing collaborative alliances.

Businesses, governments and consumers around the world are looking to the natural energy business, including wind, solar and biomass power generation, as one path to the easing of global warming. Even in Japan, electricity sell-back systems and other initiatives are being taken as the market develops. Century Tokyo Leasing has held a position at the forefront of the industry thanks to its efforts to provide project financing geared toward operators of wind power generation facilities. Specifically, the Company has been offering non-recourse loans for wind power generation projects with revenue generated by the sale of electricity as the only source of repayment. This kind of finance scheme does not require the use of the credit or capital of the power generation facility operator and thus frees them to use funds provided by the cash flow of their core business. As of March 31, 2010, the Company leads the leasing industry in its support of approximately 167 wind turbines at 15 sites nationwide.

In food and agriculture, new business opportunities are generated as general operators stream into the field. This provides the impetus for Century Tokyo Leasing to develop finance schemes, to devise systems and to build new business foundations to address emerging markets. A similar situation exists in the medical and welfare field, an area in which the market is expected to grow along with the rapid aging of Japan's society. In recent years, Century Tokyo Leasing has offered financing and securitization (rapid fund acquisition) to cover accounts receivable for medical treatment and nursing care fees, but in preparation for an increase in demand, the Company will develop new finance schemes.

Project financing for wind power generation businesses



OVERSEAS BUSINESS

Aiming to promote and expand business in the Asian region, Century Tokyo Leasing is concentrating its efforts on strengthening a global operation through collaboration with its domestic sales departments.

Overseas Business Development through Alliance with ITOCHU

The Group is working to develop its business on a global scale—with particular emphasis on China and other Asian countries—in order to achieve strategic expansion of its business fields. Reflecting that Asian emphasis, Century Tokyo Leasing's current overseas network covers China (Shanghai, Guangzhou and Hong Kong), Singapore, Malaysia, Taiwan and Thailand. When added to those in the United States and the United Kingdom, the Company boasts an industry-leading business network operating a total of nine bases in seven countries. Furthermore, Century Tokyo Leasing plans to open a branch office in Beijing to complement the Company's existing bases in Shanghai and Guangzhou and to enable effective coverage of northern, eastern and southern China. This structure will allow the Company to comprehensively support Japanese companies operating in the country.

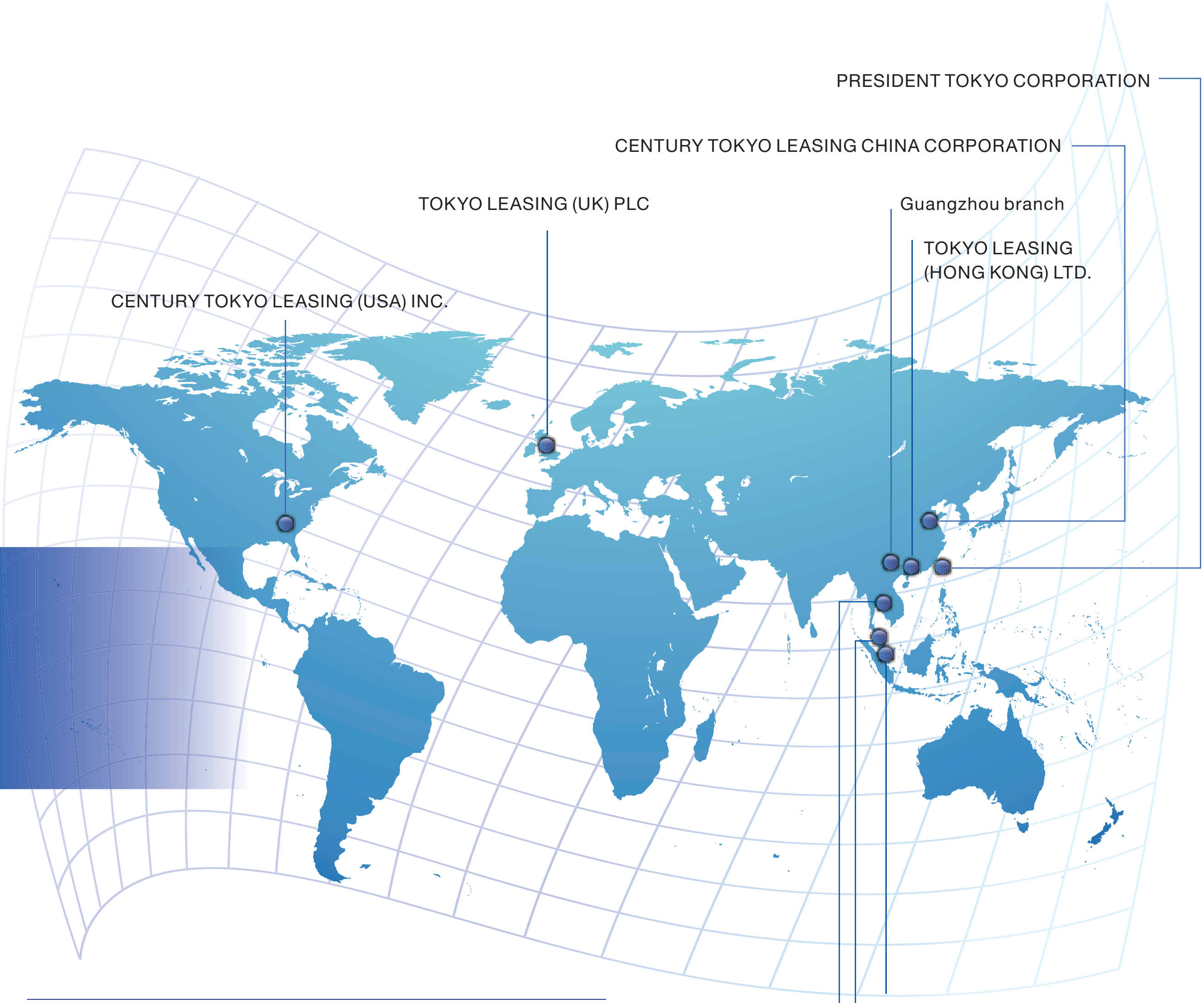
Asia is the world economy's growth driver, and Century Tokyo Leasing has strengthened collaboration with major shareholders ITOCHU Corporation and Mizuho Financial Group to promote joint projects in Asia. As of March 31, 2010, overseas subsidiaries—primarily the five companies in Asia—held total assets worth close to ¥70.0 billion, and expectations are for this figure to increase approximately 20% in the current fiscal year, ending March 31, 2011. Century Tokyo Leasing will continue to provide optimal financial services that reflect the different taxation and accounting systems in each country where it has operations. In this way, the Company supports the overseas business activities of its customers when they formulate business strategies and establish overseas networks. This approach will, in turn, enable the Company to expand its operations in China and other Asian countries.

Integration of China-Based Subsidiaries

In line with the merger that resulted in Century Tokyo Leasing, in January 2010 the China-based subsidiaries of the former companies were integrated to newly establish Century Tokyo Leasing China Corporation.

Business in China is brisk, Century Tokyo Leasing has signed contracts with major Japanese manufacturers and entered into a partnership with a leading construction machinery vendor. Looking to the future, Century Tokyo Leasing will stay a step ahead of its competition by taking advantage of its acquisition of a license to conduct business in the medical field—a market where growth is expected—as it spurs earnings as a leading company.

Century Tokyo Leasing has its sights firmly set on seizing the top share of the leasing business in China. This ambition is backed by the alliances it holds with ITOCHU Corporation, a strong player in China, by the close business ties it has with manufacturers and by its involvement in joint ventures with leading Taiwan-based companies.



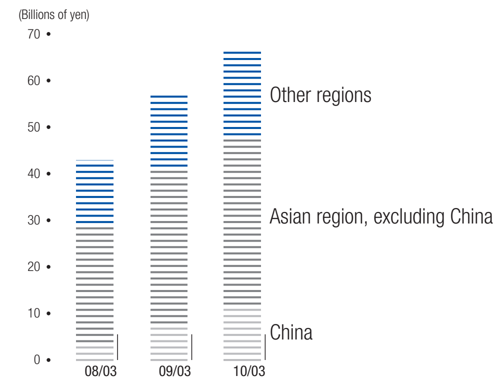
Development in the Asian Region

Outside of China, Century Tokyo Leasing is taking steps to strengthen its business in other Asian countries. In Singapore the Company provides installment sales for used cars for personal use, in Malaysia it collaborates on Japanese company-backed projects and with major IT vendors, and in Thailand it is steadily expanding transactions primarily with Japanese companies doing business in that country. At each location the Company works to strengthen ties with its domestic sales departments and to meet the capital investment needs of Japan-based companies' Asian operations. Century Tokyo Leasing will also endeavor to establish new business sites with an eye to expanding its sales base.

Vendor Finance Initiatives

In addition to its support of Japanese companies operating overseas, Century Tokyo Leasing also works to meet the global needs of its vendors and partners. Utilizing its sophisticated financial know-how, the Group offers vendor finance services to global corporations that seek to expand their operations around the world. In so doing, the Company supports the sales activities of its vendors, which, in turn, allows it to accumulate operating assets for the Group. Moving forward, the Group will continue to address the diverse needs of its vendors and promote their global development.

Balance of assets at overseas subsidiaries



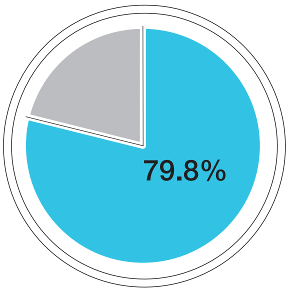
Total assets of each company including directl managed affiliated companies based on the equity method and excluding inactive companies.

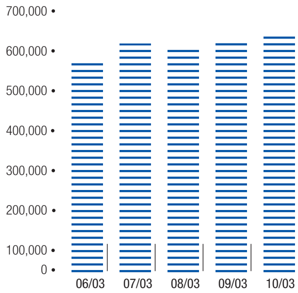
AT A GLANCE

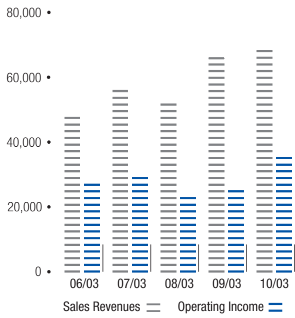
YEARS ENDED MARCH 31

Breakdown of Sales Revenues by Business Domain (Year ended March, 31 2010)	Revenues (Millions of yen)	Sales Revenues/ Operating Income (Millions of yen)	Major Products and Services

Leasing Business

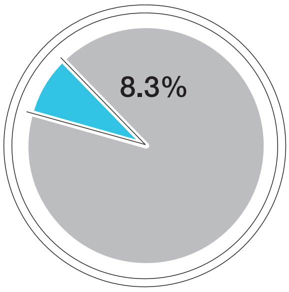


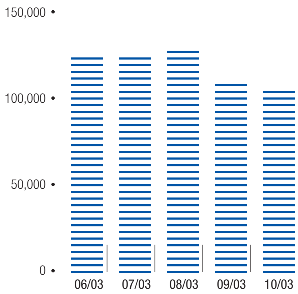


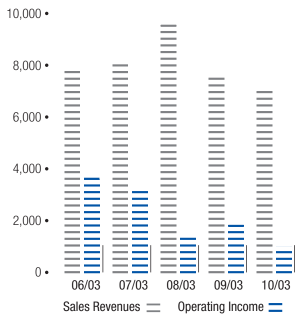


- Finance leases
- Operating leases
- Real-estate leases
- Automobile leases
- Rental
- Sale of end-of-lease assets or rental assets for which the contract has expired

Installment Sales Business

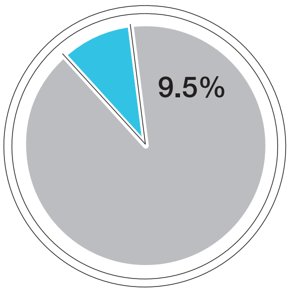


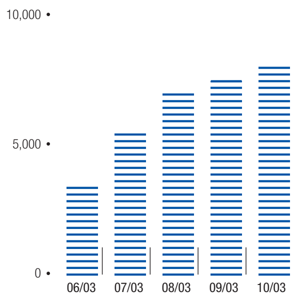


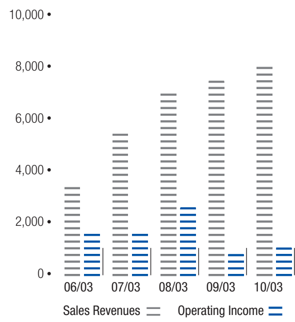


- Installment sales

Loan Business

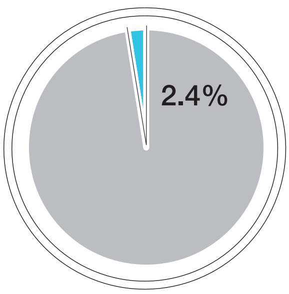


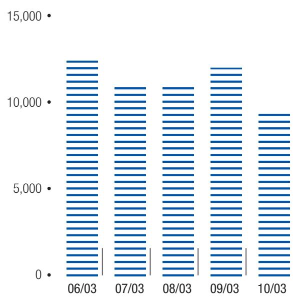


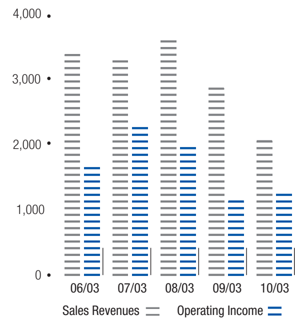


- Business loans
- Real-estate financing
- Environmental and energy financing
- Ship and aircraft financing
- Medical and welfare-related financing
- Project financing
- Factoring

Other Businesses







- Commercial investment activities, such as equity participation in partnerships
- Guarantee business
- Entrusted management services for movable assets
- Origination and sale of investment products (e.g., aircraft operating leases)
- Insurance agency

Sales revenues are revenues minus costs (excluding cost of funds).

Revenues do not include inter-segment transactions.

Sales revenues and operating income include inter-segment transactions and operating costs.

Graph figures for the years ended March 31, 2006 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

LEASING BUSINESS

Business Description

In the leasing business, Century Tokyo Leasing is engaged in a variety of leasing and rental transactions involving equipment and machinery used by customers in their business activities, ranging from IT devices and office equipment to industrial/machine tools and construction equipment. In addition, through its remarketing business, the leasing business sells used equipment following contract completion or mid-term contract cancellation.

Results

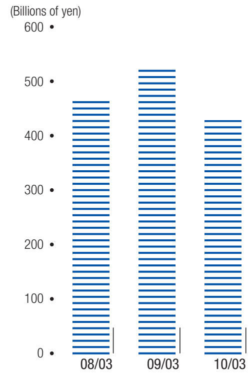
The value of new lease contracts executed during the fiscal year under review fell 17.8% (based on a simple aggregate of the former companies' results for the previous fiscal year) to ¥428,185 million. This result was attributable to the impact of stagnant private capital investment and a focus on selecting contracts that prioritize profitability as well as curbing credit debt. By contrast, revenue rose 3.6% to ¥635,808 million, owing to the first full-year contribution made by the consolidation of Fujitsu Leasing Co., Ltd. in the fiscal year under review. Operating income jumped 40.0% to ¥35,222 million due to lower funding costs and the curtailment of credit costs.

In comparison with the financial statements of the former Century Leasing System, the surviving company, the value of new contracts executed rose 105.7% year on year, while revenue and operating income rose 186.2% and 205.9%, respectively.

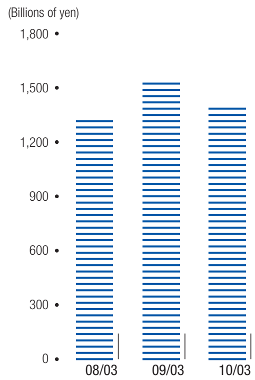
Fundamental Strategy

Century Tokyo Leasing projects that the conditions surrounding the leasing business will increase in severity due to ongoing changes in the Accounting Standards for Lease Transactions and expected application of International Financial Reporting Standards (IFRS). Striving to achieve the early realization of cost synergies through the merger, the Group is taking steps to enhance management efficiency, which includes integrating sales branches. In addition to pursuing increased efficiency, the Group is striving to raise profitability through the strengthening of its sales base by leveraging its customer base and sales channels; by upgrading IT services with the aim of improving convenience for customers; and by focusing on bolstering the remarketing and auto leasing businesses.

Value of New Contracts Executed



Balance of Operating Assets



Figures for the years ended March 31, 2008 and 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

TOPICS

Revenue from IT equipment leasing at 56% of all lease contracts executed

In terms of the value of new lease contracts executed by equipment type during the fiscal year under review, IT and office equipment accounted for 56% of overall contracts.

The Group promotes initiatives that emphasize property value. Such initiatives, which encompass equipment life cycles from installation to disposal, include a management system that provides a kitting service for such IT devices as personal computers and routers that installs necessary software prior to delivery and asset management reuse and resale services. There is also enormous demand for services that counter information leaks from the perspective of maintaining internal control. Looking ahead, the Group will focus on further promoting IT device-related leasing through the expansion of services in the IT equipment field, one of its strengths.

INSTALLMENT SALES BUSINESS

Business Description

The installment sales business involves purchasing such items as industrial/machine tools and construction machinery, commercial facilities and building-related equipment on behalf of customers in accordance with their business purposes and applications. The customer then pays for these items in a series of long-term installments. Once these installment payments are complete, the Company shifts ownership of the equipment and machinery to meet the needs of those customers who wish to acquire these items.

Results

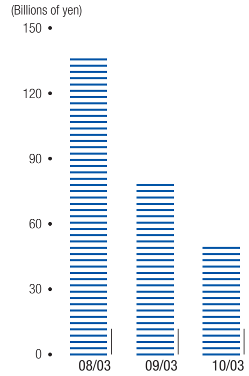
The value of new contracts executed (based on the simple aggregate of the former companies' results for the previous fiscal year) dropped 35.1% to ¥51,077 million. Revenue declined 4.0% to ¥105,413 million, and operating income fell 46.3% year on year to ¥974 million. Impacted by anemic private capital investment, the installment sales business experienced declines in the value of new contracts executed as well as revenue and operating income.

In the financial statements, as compared with the former Century Leasing System, the value of new contracts executed surged 122.9% year on year, and revenue and operating income jumped 159.5% and 503.5%, respectively.

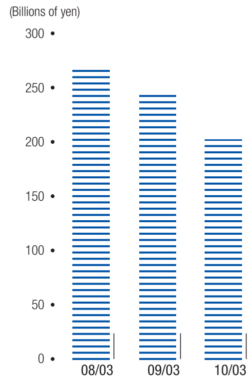
Fundamental Strategy

Along with the leasing business, the installment sales business has been significantly impacted by trends in private capital investment. In light of the steady economic recovery, the Company aims to increase the value of new contracts executed while taking steps to improve the Company's industry share and stem decreases in the balance of credit.

Value of New Contracts Executed



Balance of Operating Assets



Figures for the years ended March 31, 2008 and 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

TOPICS

Fujitsu Leasing Co., Ltd.'s first full-year contribution

For Fujitsu Leasing Co., Ltd., fiscal 2009 was the first full fiscal year of consolidation since it became a subsidiary in July 2008.

Integrating a broad business base that encompasses the Fujitsu Group's communication device segment with the Century Tokyo Leasing Group's lease/finance functions, Fujitsu Leasing promotes innovations in its business model and aims to be a trusted business partner to customers. Fujitsu Leasing's revenue during the fiscal year under review increased 33.6% year on year to ¥123,242 million, while net income was brisk, rising 40.8% to ¥2,654 million. Including Fujitsu Leasing within the scope of consolidation for the full fiscal year contributed enormously to Century Tokyo Leasing's consolidated performance.

LOAN BUSINESS

Business Description

In addition to engaging in corporate loans, the loan business provides financial services to meet fund-procurement needs, including the factoring of receivables as well as liquidation of medical and nursing care loans. In addition, the loan business undertakes specialized financing primarily related to real estate, the environment and energy, shipping and aircraft procurement financing.

Results

The value of new contracts executed (based on the simple aggregate of the former companies' results for the previous fiscal year) declined 35.4% year on year to ¥131,413 million. However, revenue increased 9.3% to ¥8,126 million, and operating income improved 29.5% year on year to ¥1,005 million.

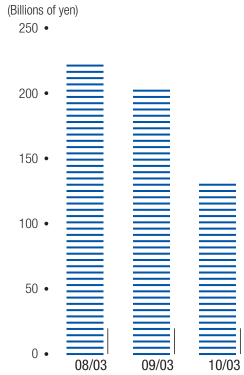
Although the balance of debt from shipping and environment finance operations grew, the balance of debt in real estate finance operations declined due to the thorough implementation of prudent measures, such as focusing on transactions with leading sponsors.

Compared with the former Century Leasing System's financial statements, the value of new contracts executed increased 68.6% year on year, while revenue and operating income rose 258.7% and 346.9%, respectively.

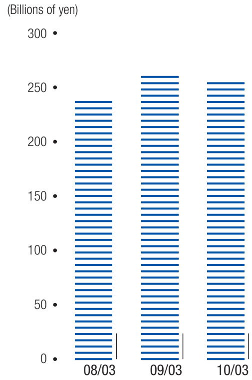
Fundamental Strategy

The finance business is the Group business where growth is most anticipated going into the future. The Group will strive to effectively utilize its customer and shareholder bases as well as flexibly expand its financing business, which is one that only a non-bank can offer, while developing a range of systems and products that set it apart from other companies. In particular, the Group positions environment and energy, food and agriculture, and medical and welfare as fields of anticipated growth, and aims to build the foundations of new businesses.

Value of
New Contracts Executed



Balance of
Operating Assets



Figures for the years ended March 31, 2008 and 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

TOPICS

Expanding financial products

Century Tokyo Leasing has from the fiscal year under review been handling eGuarantee Inc.'s accounts receivable assured service guaranteed commitment line schemes. The combination of eGuarantee's guaranteed services and the Company's acquisition of accounts receivable ensures that customers that have entered into an eGuarantee guaranteed contract are hedged against seller default risks and are able to obtain funding on accounts receivable as needed. The Company will work to enhance financial products and promote financial assistance services to customers while pursuing the diversification of funding methods and expanding its customer base.

OTHER BUSINESS

Business Description

The other businesses segment handles fee transactions related to the investment services of various liquidated and securitized products covering real estate and other assets; trustee services for property management; sales services for investment products (operating leases for aircraft and other equipment); and a fee business conducted through distributor services for life and accident insurance.

Results

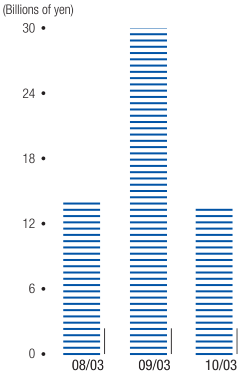
The value of new contracts executed (based on the simple aggregate of the former companies' results for the previous fiscal year) dropped 54.8% to ¥13,508 million, while revenue fell 22.0% to ¥9,328 million. However, operating income increased 15.5% year on year to ¥1,295 million.

In the financial statement comparison with the former Century Leasing System the value of new contracts executed surged 242.2% year on year, while revenue and operating income jumped 443.9% and 360.4%, respectively.

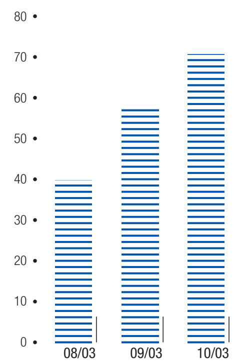
Fundamental Strategy

The other business diversifies sources of income and plays a critical role in raising the added value of the Group's businesses. The Company will continue to focus on investment services for various liquidity and securitized products, sales of investment products and asset management services, which are expected to come into increasing demand. The Company will develop a diverse array of products and services to meet customer needs.

Value of New Contracts Executed



Balance of Operating Assets



Figures for the years ended March 31, 2008 and 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

TOPICS

Development of C-Guard, a system to verify and monitor data deletion from computers

The Group is working to enhance peripheral services related to one of its fortes, IT device lease operations. When PCs are disposed of, hard disk data must be deleted. To meet this need, the Group has developed C-Guard, a patent-pending network-type service that deletes data on site. As C-Guard is a data deletion service that uses application service providers, customers are able to substantially reduce administrative load and costs.

With regard to maximizing its corporate value, Century Tokyo Leasing Corporation recognizes that the effective functioning of corporate governance is an important management issue. To this end, we require a management system capable of swift and precise decision making in response to changes in the environment, as well as a properly operating and effectively functioning systems of internal control and risk management. We are striving to fortify our management system to achieve highly sound and transparent corporate management.

Management System

The management system of the Company—composed mainly of Directors and Corporate Auditors, which comprise, respectively, directors and auditors selected at the general meeting of shareholders—is designed to sufficiently reflect the intentions of the shareholders. Furthermore, with the aim of making faster resolutions on management strategy and of further strengthening the supervisory structure and the structure for executing operations, we introduced an executive officer system.

Board of Directors

The Board of Directors consists of eight Directors and supervises the execution of operations by Directors and Executive Officers. Moreover, it deliberates on and decides important issues associated with the management of Century Tokyo Leasing and its Group companies as well as matters specified by prevailing laws, regulations, articles of incorporation, and rules governing the Board of Directors.

Board of Corporate Auditors

Century Tokyo Leasing has adopted the organizational structure of a company with auditors. It maintains a Board of Corporate Auditors that consists of seven corporate auditors (two of whom are full-time corporate auditors), six of whom are outside corporate auditors as defined by Article 2-16 of the Corporation Law of Japan. The Board of Corporate Auditors strives to fulfill its responsibility by thoroughly conducting fair audits of compliance and the appropriateness of corporate activity, starting with operations executed by Directors and Executive Officers, by holding regular meetings and maintaining the independence of its auditing activities. Corporate Auditors attend the Board of Directors Meeting as well as other important meetings, such as the Management Meeting and meetings of principal committees, etc. They then execute audits of Directors and Executive Officers, their responsibilities, and progress made in the improvement and management of the internal control system.

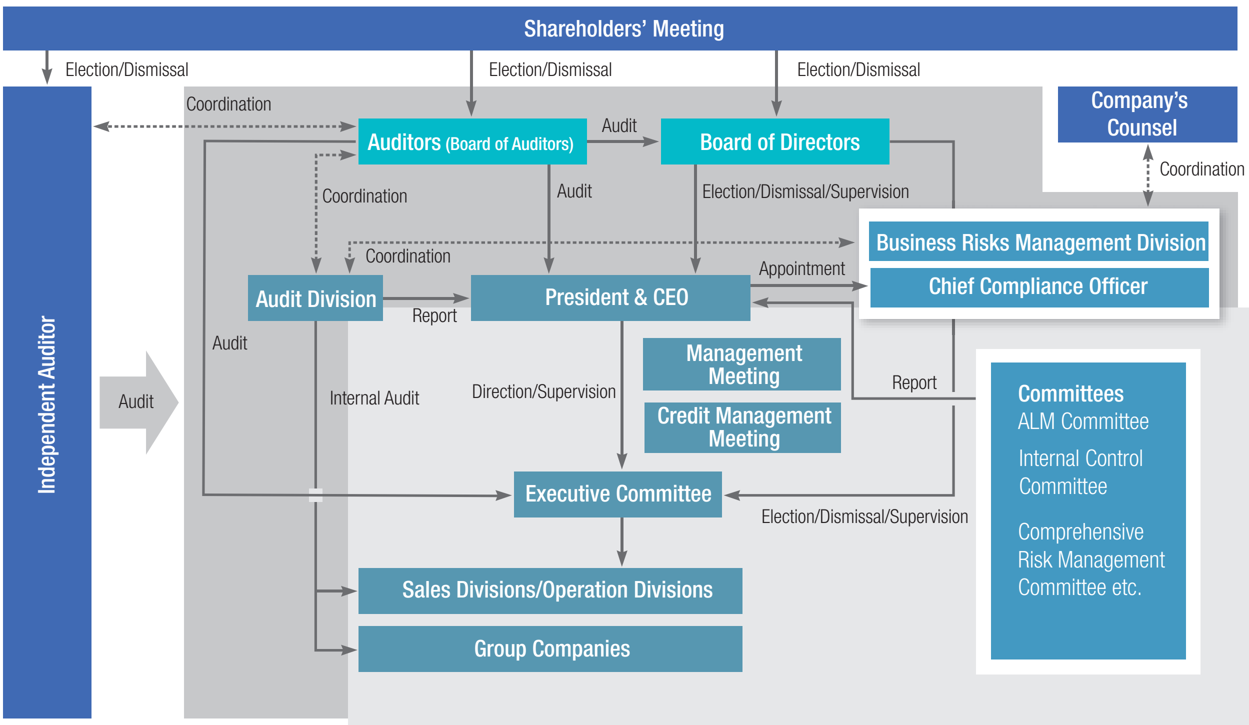
Management Meeting

We established the Management Meeting, which is chaired by the President and officers appointed by the President. As a general rule, the Management Meeting is convened once a week where it deliberates on particularly important matters concerning the execution of operations and makes decisions for the entire Group. During the meeting the status of business execution is reported on.

Note: Independence of Management Oversight Structure

Century Tokyo Leasing does not appoint outside directors, however, audits are performed by seven corporate auditors, including six outside corporate auditors, thereby maintaining the objectivity and neutrality of the management monitoring function. All outside corporate auditors are employed by other companies, and two have no affiliation with any principal partners. Because they are judged to not have any conflict of interest with general shareholders, the Tokyo Stock Exchange has designated them as independent officers and obliges them to guarantee their independence when monitoring management.

System of Corporate Governance and Internal Control As of June 24, 2010



Internal Control

Basic Policy of Internal Control System

Every manager and employee is expected to refer to the following Management Philosophy as a basic policy for executing operations.

> Management Philosophy
>
> Century Tokyo Leasing Group will grow alongside its customers and contribute to society as a comprehensive financial services enterprise that continually challenges itself.

Guided by this Management Philosophy, we have established an internal control system that recognizes the importance of ensuring the appropriate execution of operations as a vital managerial responsibility of the corporation. We also established the Internal Control Committee for the effective functioning of the internal control system. This committee is chaired by the officer in charge of the Internal Control Office. It deliberates on the overall internal control system, including on such topics as the effectiveness and scope of evaluation for financial reporting internal controls, and then reports to the Management Meeting.

The Audit Division was established as an independent entity that is directly managed by the President, and conducts business audits and assesses the internal control of the Company and subsidiaries on a regular basis. In so doing, the Audit Division gains an accurate understanding of the situation of the Group, strives to preserve Group assets and to improve management efficiency. It reports audit results to the President (at the Management Meeting) and the Board of Directors. The internal control system is upgraded as conditions within and outside of the Group necessitate.

Risk Management

To minimize the risk of loss, we prepare in advance appropriate preventive measures for various risks that may affect the Company, according to the potential scale and probability of their occurrence. These measures are organizationally implemented through the establishment of a range of meetings and committees.

Credit Risks

Credit risks are defined as risks associated with the potential failure to repay leasing fees, as well as the principal or interest on installment sales loans or financing loans. Concern about the collection of these leasing fees and other amounts due relates to such factors as the deterioration of the financial condition of the counterparty. We have developed a rating model to provide multidimensional assessments based on the counterparty's financial condition and qualitative information, and depending on the rating and volume of projects can apply precise limitations. To deliberate and decide upon large projects and matters requiring complex judgment, we established the Credit Management Meeting comprising the President and officers designated by the Presidents. Furthermore, to properly manage the portfolio of credit risks held by the Company and subsidiaries we also established the Credit Risk Management Committee, chaired by the Audit Division's officer in charge, in order to gauge and manage credit risks throughout the Group.

Market Risks

Market risks are the risks incurred with the variation of a range of market risk factors, such as interest rates and exchange rates. We established the ALM Committee to comprehend and minimize such risks. The ALM Committee, chaired by the President, deliberates on how to manage market, liquidity and other risks, and comprehensively manages assets and their procurement.

Comprehensive Risk

Every year the risks companies confront become more varied and complex. Given this, rather than attempting to manage each particular risk on an individual basis, we believe it is important to consolidate and control risks on a scale that management can tolerate.

With this goal in mind we established the Business Risks Management Division to manage system risks and information security risks based on the Information Security Basic Policy, and to acquire ISO/IEC 27001 certification. The Business Risks Management Division also revises risk countermeasures for business, legal and other operational risks determined and gauged together with relevant departments. Furthermore, we have established the Comprehensive Risk Management Committee, chaired by the officer responsible for the Business Risks Management Division. This committee comprehensively examines the overall control of the company's risks and our system, policy, and measures concerning risk management. Based on our crisis countermeasure rules, this committee is set up to immediately respond and take charge as a crisis headquarters headed by the President in the event of a large disaster or other crisis.

Compliance

Compliance begins with obeying the law and extends to adhering to our code of business conduct, social norms, corporate ethics and the range of corporate rules and regulations. We recognize that thorough compliance is essential for the continued existence of a corporation. Therefore, we aim to establish a management system that ensures that every officer and employee operates under the principle of fairness and with the highest ethical standards to earn the trust of society.

The chief compliance officer and the Compliance Office of the Business Risks Management Division promote compliance activities, including education and training based on the Compliance Program. Officers and employees constantly carry the *Compliance Handbook* which states our code of conduct, compliance management rules and other internal rules and regulations, the prohibition of sexual and power harassment and other compliance issues to maintain and enhance a fair and transparent corporate culture.

In addition, we have established several contacts, including an external law office, with whom employees can consult on compliance issues and to whom they can provide information on fraudulent actions and practices. Consequently, we operate a whistle-blower system that strictly protects those reporting problems. Rooted in our basic policy with regard to upgrading our internal control system, we are fundamentally prepared to act in a systematic and resolute way against any improper demands made by antisocial forces, and we will sever any relations with antisocial forces.

Information Disclosure (IR Policy)

The Company strives to build bonds of trust with shareholders and investors by offering to them an accurate understanding of the Company through the disclosure of management strategies, the status of business activities and financial conditions in a timely, fair, accurate, proactive and ongoing manner.

We disclose information based on various laws, including the Corporation Law of Japan and the Financial Instruments and Exchange Law of Japan as well as rules on timely disclosure stipulated by the Tokyo Stock Exchange. In addition to information disclosure based on these laws, we disclose other information determined to be appropriate and useful to promote a greater understanding of the Company.

Together with disclosing information via TDnet, the company announcements disclosure service provided by the Tokyo Stock Exchange, we also use mass media channels and disseminate information widely through the Company's website.

Basic Policy for CSR Management

Century Tokyo Leasing Group aims to fulfill the expectations and earn the trust of all its stakeholders, including customers, vendors, shareholders, investors, employees and the local community. In order to fulfill our social responsibilities as a company, we will endeavor to implement CSR-oriented management focused on strengthening our system of corporate governance, and conducting ongoing business activities that work toward environmental preservation, social contributions, compliance, risk management and information security.

Social Contributions through Business Activities

The Group's leasing business plays an enormous role in contributing to the formation of a recycling society. We are working all-out toward this goal through the thorough implementation of "3R" activities—reduce, reuse and recycle (re-leasing, remarketing and reusing of components and materials)—following the completion of a property's lease period. Furthermore, we promote environmental preservation as we strive toward becoming an environmental business that works to utilize finance functions and to contribute to the sustainable development of society through activities that include the support of medical and welfare businesses.

Environmental Initiatives

Social Contributions through Business Activities

* Remarketing Business

In the refurbishment business operated by the Group's PC Security Recycling Center and TRY Inc., a Group subsidiary, such end-of-lease assets as PCs undergo a process in which all residual data is completely erased. Used PCs are then remarketed or recycled for their components or materials. In the year ended March 31, 2010, approximately 111,000 PC units were resold. In this way we can assist in the prevention of customers' data leaks and contribute to environmental preservation and the reduction of industrial waste.

* Carbon Offset Leasing

Century Tokyo Leasing obtained a greenhouse gas (GHG) emissions allowance of 150,000 tons that it offers to customers under a carbon offset leasing scheme in which the GHG emissions discharged by leased properties are mitigated by the utilization of this emissions allowance. Not limited to the leased properties that we provide, this service is also offered to offset the GHG emissions of customer-held assets and properties leased from other companies. Customers are thus able to apply countermeasures for the GHG emissions generated by their business vehicles, server devices and other properties. We also undertake the burdensome procedures associated with carbon offsets, further supporting customers' environmental preservation activities.

Environmental Management System

Tackling environmental issues is one of the Group's important social responsibilities. Group members therefore work assiduously to obtain ISO 14001 (International Environmental Management System) certification. Moreover, in addition to formulating an environmental manual for internal use, we continue to work to reduce the volumes of electricity, paper and gasoline we use and promote the green procurement of office supplies. In these ways, each and every employee puts into practice actions that take environmental preservation into consideration.

Social Initiatives

Social Contributions through Business Activities

* Support for Medical Care and Welfare Environments

Century Tokyo Leasing places special emphasis on the medical care and welfare services fields so as to support their sound development. We, of course, conduct lease transactions for medical equipment, but our diverse services extend across this broad business domain and include liquidity (advance fund acquisition) to cover medical treatment fees and nursing care loans as well as consulting and financing for rental nursing care bed operators. In the auto lease business, we also support improving the welfare services environment by offering such leasing plans as those for welfare-purpose vehicles that meet the needs of caregivers and individuals.

Information Security Management System

In our aim to earn the ongoing trust of society, Group member companies have obtained ISO/IEC 27001 (Information Security Management System) certification. We are also formulating relevant rules and regulations, starting with our Information Security Basic Policy, and clarifying the management structure and roles associated with information security. In addition, in our efforts to improve awareness of information security, we conduct ongoing education and inspections of all officers.

Together with All of Our Stakeholders

* Customers and Vendors

We at Century Tokyo Leasing have positioned at the pinnacle of our basic policy the promotion of customer satisfaction-oriented management. We work toward this ideal by building into our Sales Force Automation (SFA)[1] the ability to listen to our customers in a framework jointly utilized by sales personnel and relevant divisions. This sharing of customer requests and complaints throughout the Company enables us to offer optimum services and develop new products.

1 SFA is a system in which information essential to sales operations is streamlined to help sales divisions work more efficiently.

* Shareholders and Investors

We disseminate information for stakeholders, starting with shareholders and investors, in a timely, appropriate and fair manner. We also use the opportunity of corporate briefings for individual investors and financial results meetings for institutional investors to diligently explain Group business strategy and other information.

* Local Communities

As one element of our social contribution activities, Century Tokyo Leasing Group members present and donate used PCs to organizations and groups to contribute to the public good, without any intent of commercial gain. In addition, the Group contributes an amount equivalent to 5% of the total amount of shareholder special benefit to The Defense of Green Earth Foundation.

* Employees

We at the Group aim for an environment and organization filled with vitality in which each and every employee can maximize their abilities. From the perspective of employment and recruitment, the Group hires those with disabilities, operates career transfer systems and takes other approaches to select personnel from a wide range of fields, offering fair assessments and treatment. In addition, based on The Law for Measures to Support the Development of the Next Generation, we have established systems in which improvements are made through such measures as extending child-rearing leave and shortening work hours. In so doing we support the work-life balance of those employees who are raising families.

CORPORATE HISTORY

Year	Month	Former Century Leasing System, Inc.	Month	Former Tokyo Leasing Co., Ltd.
1964			Aug.	Jointly established by Nippon Kangyo Bank, Ltd. (currently Mizuho Financial Group, Inc.), Kangin Tochi-Tatemono Co., Ltd (currently Nippon Tochi-Tatemono Co., Ltd.), and Nanoh Co., Ltd. (currently Nissin Tatemono Co., Ltd.), with a capitalization of 1 million yen
1969	July	Jointly established by ITOCHU Corporation, Daiichi Bank, Ltd. (currently Mizuho Financial Group, Inc.), Nippon Life Insurance Company, and Asahi Mutual Life Insurance Company, with a capitalization of 500 million yen		
1972			Oct.	Established Tokyo Leasing (Hong Kong) Ltd. in Hong Kong
1979			Mar.	Established Tokyo Auto Leasing Co., Ltd.
			May	Established Tokyo Leasing (Singapore) Pte., Ltd. (currently Century Tokyo Leasing (Singapore) Pte., Ltd.) as a subsidiary in Singapore
1983	Oct.	Established Century Staff Inc. (currently Caplan Corporation)	May	Established Tokyo Leasing (UK) PLC as a subsidiary in London, U.K.
1985	Apr.	Established Century Auto Leasing Co., Ltd. (currently Nippon Car Solutions, Co., Ltd.)	Dec.	Established Tokyo Leasing (U.S.A.) Inc. (currently Century Tokyo Leasing (USA) Inc.) as a subsidiary in Connecticut, U.S.A. (relocated to New York in 1994)
1990			Feb.	Listed shares on the Second Section of the Tokyo Stock Exchange
1997			Nov.	Jointly established President Tokyo Corporation in Taiwan
2000	Oct.	Century Auto Leasing Co., Ltd. merged with Asahi Auto Lease Co., Ltd.		
2002			Sept.	Listed shares on the First Section of the Tokyo Stock Exchange
			Oct.	Merged with Kawasaki Enterprises, Inc.
2003	Sept.	Listed shares on the Second Section of the Tokyo Stock Exchange		
2004	Sept.	Listed shares on the First Section of the Tokyo Stock Exchange		
2005	June	Launched the refurbishment business (currently TRY Inc.)		
	Oct.	Established Nippon Car Solutions Co., Ltd. through an equal merger between Century Auto Leasing Co., Ltd. and NTT Auto Leasing Co., Ltd.		
2006	Oct.	Established Century Leasing (China) Co., Ltd. (currently Century Tokyo Leasing China Corporation) as a subsidiary in Shanghai, China	July	Established TOZUI CORPORATION (currently Century Tokyo Leasing China Corporation) as a subsidiary in Shanghai, China
2007			June	Established TLC Capital (Malaysia) Sdn. Bhd. (currently Century Tokyo Capital (Malaysia) Sdn. Bhd.) as a subsidiary in Malaysia
2008	Sept.	Nippon Car Solutions Co., Ltd. acquired all shares of Showa Auto Rental & Leasing Co., Ltd.	Jan.	Turned Shiseido Lease Co., Ltd. (currently S.D.L. Co., Ltd.) into a consolidated subsidiary
			Mar.	Jointly established Orico Auto Leasing Co., Ltd. with Orient Corporation
			July	Turned Mizuho Corporate Leasing (Thailand) Co., Ltd. (currently TISCO Tokyo Leasing Co., Ltd.) in Thailand into a corporate affiliate based on the equity method
				Acquired additional shares of Fujitsu Leasing Co., Ltd., making it a consolidated subsidiary
2009			Mar.	Established the Guangzhou Branch of Century Tokyo Leasing China Corporation

Century Tokyo Leasing Corporation

Year	Month	
2009	Apr.	Century Tokyo Leasing Corporation was established April 1, 2009, through a merger between Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.
	Oct.	TLC Business Service Co., Ltd. unified business processing service sections of Century Business Service, Inc. and company name changed to TC Business Service Co., Ltd.
2010	Jan.	Century Tokyo Leasing China Corporation was established, through a merger between TOZUI CORPORATION and Century Leasing (China) Co., Ltd.
	Apr.	TC AGENCY Corporation was established, through a merger between TOKYO LEASE KANZAI K.K. and Century Business Service, Inc.
		Established TC BUSINESS EXPERTS Corporation
	July	Turned IHI Finance Support Corporation into a consolidated subsidiary

MANAGEMENT
As of June 24, 2010

BOARD OF DIRECTORS

Chairman & Co-CEO,
Representative Director
Takao Arai

President & CEO,
Representative Director
Shunichi Asada

Deputy President,
Representative Director
Masahiro Nakagawa
Koichi Nakajima

Director and Senior
Managing Executive Officer
Makoto Nogami

Director and Managing
Executive Officer
Akihiko Nishimura
Hideo Kondou
Tsuneichiro Masaki

CORPORATE AUDITORS

Standing Corporate Auditor
Yukio Sekiguchi
Mikio Nishimura*

Corporate Auditor
Shigekazu Matsui*
Masahiko Sumida*
Syunsuke Wada*
Tetsurou Ito*
Osamu Saito*

*External

EXECUTIVE OFFICERS

Deputy President,
Executive Officer
Koei Yamashiro

Managing Executive
Officer
Michio Ito
Takeshi Honda
Yuichiro Ikeda
Osamu Oike
Masao Mizuno
Takashi Muramatsu
Kazuo Tanaka

Executive Officer
Masuo Suzuki
Mitsutaka Ohshima
Eiji Hara
Koichiro Izutsu
Yoshihiko Morimoto
Masami Tsuboi
Shuichi Sato
Atsuhiko Iwatake
Hidenori Fujimori
Hidenori Yamada
Masahiko Shishido
Yasuo Mori
Masatatsu Shimazu
Kenji Murai
Akira Sugimoto
Yukio Tanaka
Yoshio Nomura
Hiroshi Yoshida

FINANCIAL SECTION

FIVE-YEAR SUMMARY

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31

	Millions of yen				
	2006	2007	2008	2009	**2010**
Operating Results					
Revenues	¥ 705,110	¥ 753,972	¥ 742,454	¥ 742,948	**¥ 758,674**
Leasing	565,789	611,421	595,551	613,801	**635,808**
Installment sales	123,602	126,111	128,793	109,755	**105,413**
Loans	3,385	5,450	7,048	7,435	**8,126**
Other businesses	12,334	10,990	11,062	11,957	**9,327**
Costs	652,929	698,681	690,734	683,683	**693,569**
Leasing	517,247	556,403	542,831	548,323	**567,884**
Installment sales	115,796	118,039	119,300	102,195	**98,378**
Loans	9	31	23	28	**35**
Other businesses	8,949	7,685	7,394	9,097	**7,272**
Interest expenses	10,929	16,522	21,185	24,039	**20,001**
Gross profit on revenues	52,180	55,292	51,720	59,265	**65,105**
Sales revenues (Gross profit on revenues before deducting cost of funds)	63,110	71,814	72,906	83,304	**85,106**
SG&A expenses	26,513	27,204	30,223	38,368	**34,810**
Personnel and non-personnel expenses	26,278	26,264	26,406	27,654	**29,153**
Allowance for doubtful accounts	235	940	3,817	10,714	**5,657**
Operating income	25,667	28,088	21,497	20,897	**30,295**
Ordinary income (Income before extraordinary items and income taxes)	27,201	30,133	22,359	22,275	**33,414**
Extraordinary gains (losses)	4,448	(13,742)	(994)	(5,232)	**(250)**
Net income	20,050	3,784	13,250	10,029	**25,542**
Financial Condition					
Total assets	¥1,887,598	¥2,131,277	¥2,090,407	¥2,423,800	**¥2,132,892**
Operating assets	1,717,049	1,885,710	1,881,581	2,100,016	**1,937,955**
Leasing	1,279,082	1,379,198	1,336,707	1,536,504	**1,410,109**
Installment sales (after deducting deferred profit on installment sales)	242,981	264,224	267,860	243,708	**200,539**
Loans	172,830	216,327	237,206	261,629	**256,693**
Other businesses	22,156	25,961	39,808	58,175	**70,614**
Interest-bearing debt	1,589,973	1,834,450	1,792,410	2,053,766	**1,749,775**
Net assets	124,533	120,163	127,400	133,222	**158,116**
Cash Flows					
Net cash provided by operating activities	—	—	—	—	**¥ 194,308**
Net cash used in investing activities	—	—	—	—	**(8,949)**
Net cash used in financing activities	—	—	—	—	**(306,146)**
Cash and cash equivalents at end of year	—	—	—	—	**50,947**

Notes: 1. Figures for the years ended March 31, 2006 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. (CLS) and Tokyo Leasing Co., Ltd. (TLC)
2. Revenues do not include internal revenues or transfers between segments.

	2006	2007	2008	2009	2010
			Yen		
Per Share Data					
Net income (loss)	¥ —	¥ —	¥ —	¥ 94.05	¥ 239.57
Former CLS	137.21	145.53	125.31	114.29	—
Former TLC	200.19	(59.29)	104.77	63.50	—
Net assets	—	—	—	1,174.11	1,410.61
Former CLS	964.17	1,051.53	1,102.48	1,162.07	—
Former TLC	1,157.39	1,011.35	1,081.69	1,007.79	—
Dividends	—	—	—	—	32.00
Former CLS	20.00	22.00	26.00	28.00	—
Former TLC	18.00	22.00	24.00	26.00	—
Significant Indicators					
Return on equity (ROE)	—	—	—	8.0%	18.5%
Former CLS	15.6%	14.4%	11.6%	10.1%	—
Former TLC	19.1%	(5.5)%	10.0%	6.1%	—
Return on assets (ROA)	—	—	—	1.0%	1.5%
Former CLS	1.5%	1.5%	1.3%	1.2%	—
Former TLC	1.4%	1.5%	0.9%	0.9%	—
Equity ratio	—	—	—	5.2%	7.1%
Former CLS	6.7%	6.9%	7.2%	7.2%	—
Former TLC	6.5%	4.8%	5.4%	4.1%	—
Overhead ratio	—	—	—	46.7%	44.8%
Former CLS	49.7%	47.0%	46.1%	41.7%	—
Former TLC	50.8%	47.8%	54.1%	49.4%	—
Other Data					
Employee (persons)	—	—	—	1,701	1,732
Former CLS	454	470	486	490	—
Former TLC	1,023	1,044	1,090	1,211	—

3. Figures for the year ended March 31, 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd. The merger ratio has been factored into per share data.
4. ROE = Net income / Equity (simple average of beginning and end of term balance sheet figures) X 100
ROA = Ordinary income / Total assets (simple average of beginning and end of term balance sheet figures) X 100
Overhead ratio = (Personnel expenses + Non-personnel expenses) / Gross profit on revenues X 100

Business Environment and the Group's Approaches

During the period under review, the Japanese economy saw signs of gradual improvement on the back of increasing exports thanks to the overseas economic recovery mainly in China and other Asian countries. Despite such conditions, the business environment for the leasing industry remained harsh, reflecting stagnant private capital expenditure. According to statistics compiled by the Japan Leasing Association, the value of lease transactions on a monthly basis continued to fall short of the year-on-year value.

Under such circumstances, in this first year following the merger the Group focused on various management objectives, including the reinforcement of sales bases and enhancement of operational efficiencies, with the aim of quickly creating merger synergies through proactive business consolidation during the earliest stages of integration. As part of such efforts, the Group promoted solution-oriented sales activities and profit-focused initiatives while developing an "asset-based lending scheme utilizing a movable asset management system and security trusts (business model patent pending)" that focuses on the management of tangible assets. In the automobile leasing business, the consolidated subsidiary TOKYO AUTO LEASING CO., LTD. purchased shares in the automobile leasing business of Sumishin Panasonic Financial Services Co., Ltd. As a result, the number of vehicles managed by the entire Group, including by the industry's third largest company, the equity method affiliate NIPPON CAR SOLUTIONS CO., LTD., totaled approximately 400,000. Furthermore, the Group entered into a basic agreement with IHI Corporation regarding the purchase of shares of IHI Finance Support Corporation, an IHI Corporation consolidated subsidiary that handles financing for the IHI Group and its business partners. Based on this agreement, in July 2010 the Group purchased 2,660 shares (66.5%) of IHI Finance Support, including that company in its scope of consolidation. In this way, the Group is proactively expanding its business fields.

In addition to such efforts, the Group has been working to quickly integrate the overlapping marketing bases and businesses of companies in the two merged companies' groups, including their subsidiaries in China. Simultaneously, with the aim of coordinating the two companies' basic systems, the Group completed the industry's fastest IT system integration in May 2010.

In order to report business status more accurately, prior years' results of the former Century Leasing System, Inc. and the former Tokyo Leasing Co., Ltd. have been combined as simple aggregates and are represented as follows unless otherwise stated.

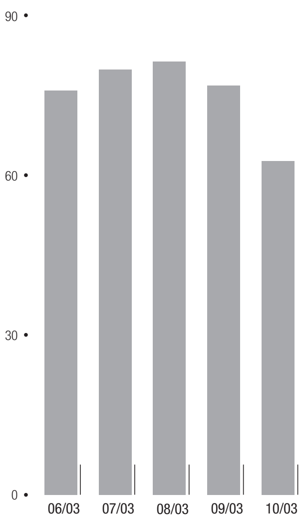
Overview of Results

Amid intensifying competition caused by sluggish capital investment, the value of new contracts executed in the fiscal year ended March 31, 2010 fell 25.1% year on year to ¥624,182 million, reflecting the Group's approach to focus rather on profit. As a result, the balance of operating assets decreased 7.7% year on year to ¥1,937,955 million.

In profit and loss, total revenue rose 2.1% year on year to ¥758,674 million, while gross profit grew 9.9% to ¥65,105 million. This was attributable to the inclusion of Fujitsu Leasing Co., Ltd. into the scope of consolidation, which offset lower revenue caused by decreases in operating assets. Operating income surged 45.0% to ¥30,295 million due to reductions in interest expense and the allowance for doubtful accounts, and ordinary income jumped 50.0% to ¥33,414 million. Net income soared 154.7% year on year to ¥25,542 million, owing to increased revenues thanks to the termination of litigation.

Total Private Capital Investment

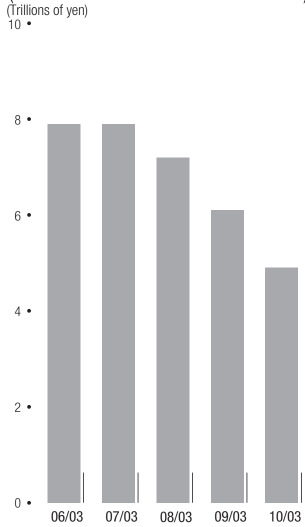
(Trillions of yen)



Source: Private capital investment is based on a survey by the Cabinet Office. The figures for "10/03" (FY2009) are preliminary and nominal figures announced on September 10, 2010.

Total Lease Transactions (Lease Contract Amounts)

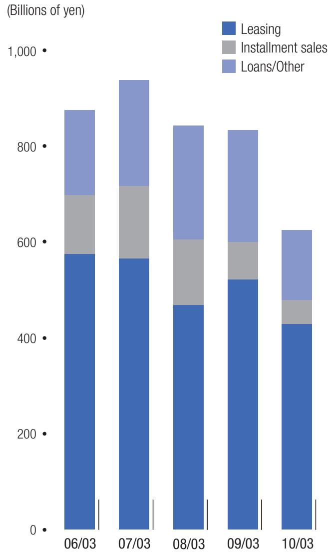
(Trillions of yen)



Source: Japan Leasing Association

Value of New Contracts

(Billions of yen)



Graph figures for the years ended March 31, 2006 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Revenues, Gross Profit on Revenues

Total revenues grew ¥15,727 million, or 2.1%, to ¥758,674 million.

Gross profit rose ¥5,840 million, or 9.9%, to ¥65,105 million. This was due to a decrease in interest expense of ¥4,038 million, or 16.8%, to ¥20,001 million along with the decrease in balance of borrowings and fund procurement reflecting the contraction of cash on hand and in banks.

Operating Income

Selling, general and administrative expenses declined ¥3,559 million, or 9.3%, year on year to ¥34,810 million. Major components included increases in such personnel and non-personnel expenses including merger-related costs by ¥1,498 million (5.4%) to ¥29,153 million as well as a drop in allowance for doubtful accounts by ¥5,057 million (47.2%) to ¥5,657 million. As a result, operating income surged ¥9,399 million, or 45.0% year on year to ¥30,295 million.

Ordinary Income

Non-operating income surged ¥1,740 million, or 126.3%, year on year to ¥3,119 million due to the recording of foreign exchange gains and profit on amortization of negative goodwill. To that end, ordinary income increased ¥11,139 million, or 50.0%, to ¥33,414 million, topping both precursor companies' peak figures.

Net Income

Extraordinary loss totaled ¥250 million, showing an improvement of ¥4,983 million (95.2%) year on year. This was attributable to a ¥2,146 million reversal of allowance for doubtful accounts due to the termination of former Tokyo Leasing Co., Ltd.'s litigation as well as a ¥3,002 million decrease in loss on devaluation of investments in securities. As a result, income before income taxes and minority interests jumped ¥16,121 million, or 94.6%, to ¥33,165 million. Income taxes rose ¥929 million, or 15.1%, to ¥7,091 million, with ¥5,081 million lower taxes due to the termination of litigation. Minority interests decreased ¥319 million, or 37.5%, to ¥531 million.

As a result, net income soared ¥15,512 million, or 154.7%, to ¥25,542 million.

Net income per share rose ¥145.52 compared with the previous fiscal year to ¥239.57, while ROE improved 10.5 percentage points to 18.5% and ROA edged up 0.5 of a percentage point to 1.5%.

Results by Segment

Results by business segment are as follows (operating income in "Elimination or corporate" is stated as an unclassifiable expense before deduction).

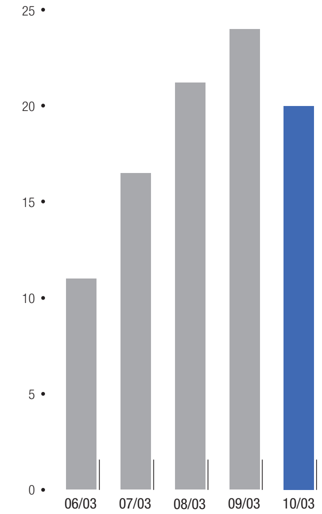
In the leasing business, the value of new contracts executed declined 17.8% year on year to ¥428,185 million. Total revenues grew 3.6% to ¥635,808 million, and operating income surged 40.0% to ¥35,222 million.

In the installment sales business, the value of new contracts executed fell 35.1% year on year to ¥51,077 million. Total revenues decreased 4.0% to ¥105,413 million, and operating income dropped 46.3% to ¥974 million.

In the loans business, the value of new contracts executed was down 35.4% year on year to ¥131,413 million. Total revenues climbed 9.3% to ¥8,126 million, and operating income increased 29.5% to ¥1,005 million.

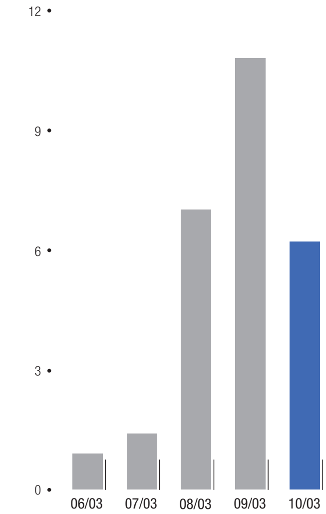
In other businesses, the value of new contracts executed dropped 54.8% to ¥13,508 million. Total revenues fell 22.0% to ¥9,327 million, while operating income grew 15.5% to ¥1,295 million.

Interest Expenses
(Billions of yen)



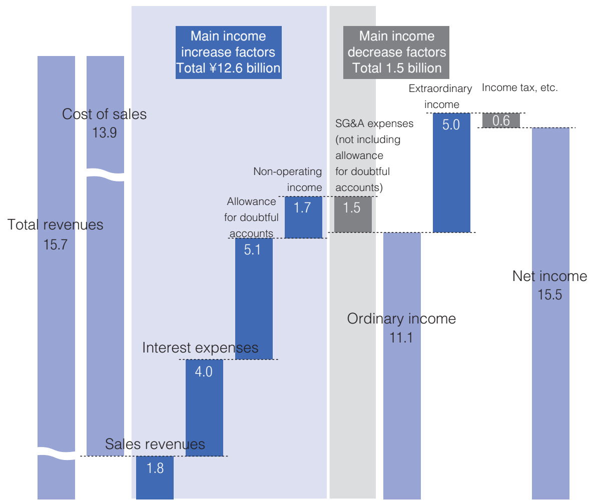
Graph figures for the years ended March 31, 2006 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Credit Costs
(Billions of yen)



Credit costs represent the sum of doubtful account costs, which were included in costs of sales, and allowance for doubtful accounts, which was included in SG&A expenses. Graph figures for the years ended March 31, 2006 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Main Factors of Increase and Decrease in Net Income
(Billions of yen)



Figures represent year-on-year changes.

Financial Condition

Total Assets

Total assets as of March 31, 2010 decreased ¥290,908 million, or 12.0%, from a year earlier to ¥2,132,892 million. This was mainly attributable to the contraction of cash on hand and in banks as well as a decrease in the balance of operating assets due to the improved financial environment.

Operating Assets

The balance of operating assets as of March 31, 2010 declined ¥162,061 million, or 7.7%, compared with the corresponding period of the previous fiscal year to ¥1,937,955 million. By segment, the leasing business saw a ¥126,395 million, or 8.2%, decrease in the balance of operating assets to ¥1,410,109 million, the installment sales business recorded a ¥43,169 million, or 17.7%, decline to ¥200,539 million, the loans business saw a ¥4,936 million, or 1.9%, decrease to ¥256,693 million, while other businesses recorded a ¥12,439 million or 21.4%, increase year on year to ¥70,614 million.

Liabilities

Total liabilities as of the accounting period end fell ¥315,801 million, or 13.8%, to ¥1,974,776 million. This was owing to the contraction of debt due to cash on hand and in banks collected in the previous accounting period-end, as well as a decrease in demand for funding in operating activities.

Interest-bearing debt declined ¥303,991 million, or 14.8%, year on year to ¥1,749,775 million. Total short-term financing decreased ¥140,159 million, or 15.8%, to ¥747,916 million, with commercial paper increasing ¥16,700 million, or 3.3%, year on year to ¥529,500 million, and short-term borrowings falling ¥150,059 million, or 42.1%, to ¥206,416 million. Total long-term fund procurement, including current portion, declined ¥163,831 million, or 14.1%, to ¥1,001,859 million, due mainly to an ¥85,968 million (8.6%) decrease in long-term loans, principally from banks, to ¥911,730 million.

Net Assets

Net assets rose ¥24,894 million, or 18.7%, year on year to ¥158,116 million due to an increase in retained earnings.

The shareholders equity ratio edged up 1.9 percentage points compared with the previous accounting period-end to 7.1%.

Indirect Funding and Direct Funding

During the period under review, indirect funding decreased ¥236,028 million to ¥1,118,146 million, reflecting the decrease in long- and short-term borrowings. Direct financing also decreased ¥67,963 million year on year to ¥631,630 million due to decrease in fund procurement through debt securitization and the issuance of corporate bonds as well as an increase in commercial paper. As a result, the direct financing ratio of the period ended March 31, 2010 was 36.1%, up 2.0 percentage points from the previous accounting period.

Securing Liquidity

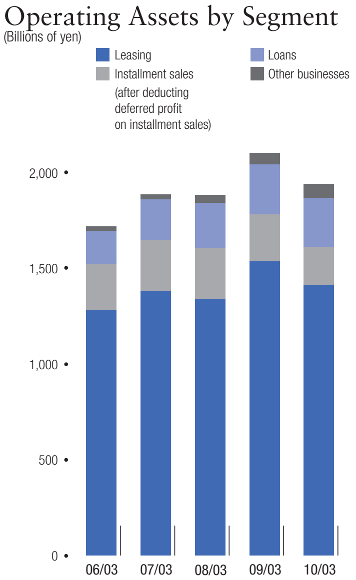
With the aim of securing liquidity, the Group signed overdraft agreements and commitment line agreements with 54 financial institutions. As of March 31, 2010, the total value of contracts amounted to ¥642,802 million.

The Group secured sufficient liquidity of funds as of the end of this period, with ¥458,805 million in unused facilities.

Cash Flows

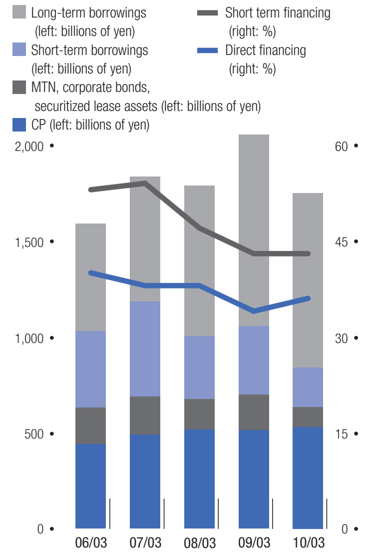
In the cash flow analysis that follows, the consolidated values given for the fiscal year ended March 31, 2009, are those of the former Century Leasing System, Inc., the assets and liabilities of former Tokyo Leasing Group are excluded from calculations of increase and decrease and from comparisons with previous years' figures.

Operating Assets by Segment



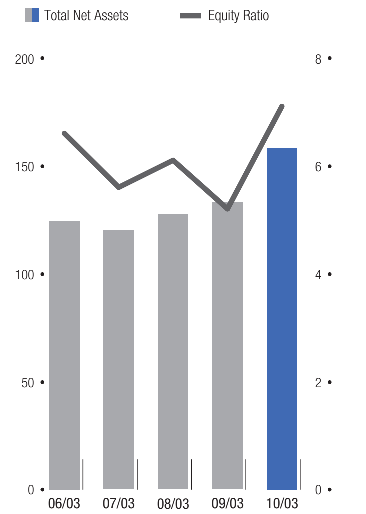
Graph figures for the years ended March 31, 2006 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Condition of Fund Procurement



Graph figures for the years ended March 31, 2006 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Net Assets (Left: billions of yen)
Equity Ratio (Right: %)



Graph figures for the years ended March 31, 2006 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Net cash provided by operating activities was ¥194,308 million, a turnaround from net cash used in operating activities of ¥5,544 million in the previous accounting period. Major components included increased income before income taxes and minority interests due to decrease in installment sales receivables, lease receivables and investment assets.

Net cash used in investing activities was ¥8,949 million, up from net cash used in investing activities of ¥2,282 million in the previous accounting period. This was mainly attributable to decreased proceeds from sales/redemptions of investments in securities and increased purchases of investments in securities.

Net cash used in financing activities totaled ¥306,146 million, a turnaround from net cash provided by financing activities of ¥67,497 million in the previous accounting period. Major components included increased repayment of interest-bearing debt.

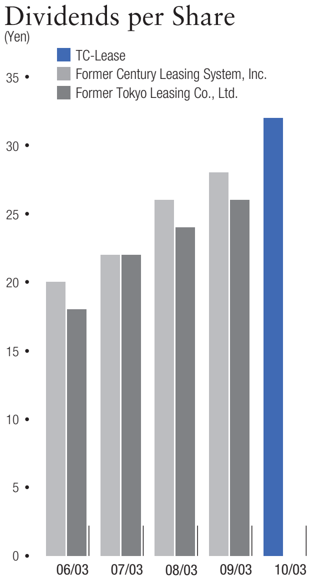
During the period under review, the Group conducted short-term financing through securitized lease assets. However, the Group recorded a net cash outflow of ¥137,665 million due to the repayment of short-term borrowings and redemption of commercial paper. On the other hand, in long-term fund procurement, the Group recorded total cash outflow of ¥166,368 million due to the net repayment of long-term debt, redemption of securitized lease assets and redemption of corporate bonds.

As a result, cash on hand and cash equivalents at end of year were down ¥16,440 million year on year to ¥50,947 million.

Dividends in the Fiscal Year Ended March 31, 2010

In light of the support afforded the Company by stakeholders, including shareholders, as well as the healthy business performance after the merger, the Group upwardly revised the dividend decided on at the beginning of the fiscal year.

Dividends per Share



Thus, the Group added ¥2 per share to the planned amount as well as a commemorative dividend of ¥2 per share for a payout totaling ¥32 per share. This resulted in the sixth consecutive dividend increase for shareholders of former Century Leasing System, Inc. since its listing in stock markets in 2003, and the 12th consecutive dividend increase for shareholders of former Tokyo Leasing Co., Ltd. since March 31, 1999.

Fiscal 2010 Outlook

The business environment surrounding the Group is anticipated to change drastically as international accounting standards are introduced and companies in the Japanese market become increasingly globalized against a backdrop of a harsh business environment characterized by sluggish private capital expenditure and corporate bankruptcy due to economic recession.

Amid this situation, the Group will make maximum use of its customer base to facilitate operating activities, while striving to cut interest expenses and credit costs to increase profitability.

For the accounting period ending March 31, 2011, the Group expects revenues amounting to ¥690,000 million (down 9.1%), reflecting a decrease in operating assets; ¥31,500 million in operating income (up 4.0%) due to the expansion of finance-related and overseas businesses; ¥34,000 million in ordinary income (up 1.8%) and net income of ¥19,500 million (down 23.7%).

The Group currently anticipates a 23.7% decrease in net income due to the absence, in line with the conclusion of certain litigation, of factors that increase profits. Discounting the effect of these factors, net income is expected to increase 6.5%.

Dividends in the Fiscal Year Ending March 31, 2011

The Group's basic policy on the return of profits to shareholders is to continue steady dividend payments, while striving to strengthen its business and financial foundation from a long-term perspective to prepare for future business development, business results, and maintaining the dividend payout ratio.

For the fiscal ending March 31, 2011, the Group is planning an annual dividend of ¥32 per share (¥16 per share for both interim and end-of-period dividends) based on its policy of returning profits to shareholders in recognition of the support they provide.

Business and Other Risks

Listed below are risks that may influence the Group's business performance, stock prices and financial conditions.

(1) Credit Risk

Leasing transactions are those in which credit is provided to a customer on an unsecured basis, in principle, over a relatively long term (an average of about five years), and the expected profit is secured only when the full amount of the leasing fee, etc., is collected from the customer. However, if there is nonpayment by the customer or a similar incident, we collect as much as possible through such measures as selling lease assets in question or leasing it to another customer.

The Group strives to minimize credit risks through cautious credit management, the assessment of assets, and by controlling credit risks in the portfolio of operating assets; however, the Group's performance may be affected if bad debt newly arises as a result of deterioration in the credit situations of companies, depending on future economic trends.

(2) Impacts of Interest Rate Volatility and Changes in the Fund Procurement Environment

In our main business of lease and installment sales transactions, leasing fees are set on the basis of the purchase price, interest rate level when the contract is signed, etc., and leasing fees do not vary during the contract period. On the other hand, the portion of the cost of funds (financing costs), which is the cost of lease transactions, is affected by fluctuations in market interest rates because funds are also raised by obtaining loans with variable interest rates, in addition to long-term fixed funding. Therefore, if market interest rates rise, the cost of funds may increase.

Fund procurement by the Group, in addition to indirect funding, includes direct funding by way of commercial paper, corporate bonds, etc. Depending on changes in the funding environment, there may be impacts on fund procurement.

As mentioned above, depending on interest rate volatility and changes in the funding environment, there may be impacts on the Group's results. However, the Group strictly controls these fund procurement related risks on the basis of ALM (Asset Liability Management) analysis and hedges risks as necessary.

(3) Business Performance in the Past Five Terms and the Trend in Private Capital Investment

The values of private capital investment and capital investment financed by leasing in the past five years are interrelated, although there are temporary differences. This trend is expected to continue in the future.

The change in the value of the Group's contracts and the changes in the values of private capital investment and capital investment financed by leasing have not necessarily coincided in recent years; however, the Group's performance may be affected if a large decrease in the value of private capital investment occurs in the future accompanied by a large decline in the value of capital investment financed by leasing.

(4) Stock Price Volatility Risk

The Group holds securities for the purpose of strengthening relationship with partner companies. The Group periodically reviews stocks held that correspond to individual business relationships; however, depending on future stock price volatility, there may be impacts on the Group's results.

(5) System Change Risk

The Group is developing its business on the basis of current legal, tax and accounting systems and standards, etc. If these systems change considerably in the future, there may be impacts on the Group's results.

(6) Other Risks

In addition to the above risks, there are information system risks, such as failure and errors in such areas as sales relationships, contact management, asset management and statistical operations; administrative risks due to improper administrative procedures; residual value risk that the actual disposal values are below the initial estimated residual values of lease assets; and compliance risk of loss of social trust resulting from noncompliance with laws or regulations or social norms, etc.

Private Capital Investment and Capital Investment Financed by Leasing

(Billions of yen)

	FY2005	FY2006	FY2007	FY2008	FY2009
Private capital investment (a)	75,901.0	79,825.9	81,338.6	76,760.6	62,660.8
YoY comparison	106.1%	105.2%	101.9%	94.4%	81.6%
Total lease transaction	7,941.3	7,867.7	7,154.2	6,056.4	4,921.9
YoY comparison	104.1%	99.1%	90.9%	84.7%	81.3%
Capital investment financed by leasing (b)	7,101.7	7,121.3	6,342.0	5,444.4	4,405.8
YoY comparison	104.3%	100.3%	89.1%	85.8%	80.9%
Ratio of capital investment financed by leasing to private capital investment (b)÷(a)	9.4%	8.9%	7.8%	7.1%	7.0%
Newly executed lease contracts of the Group	573.7	565.0	468.3	520.8	428.2
YoY comparison	108.8%	98.5%	82.9%	111.2%	82.2%

Notes:
1. Private capital investment is based on a survey by the Cabinet Office. The figures for FY2009 are preliminary and nominal figures announced on September 10, 2010.
2. Capital investment financed by leasing is statistical data released by the Japan Leasing Association.
3. Figures for the years ended March 31, 2006 through 2009 are the simple aggregate of values recorded by former Century Leasing System, Inc. and former Tokyo Leasing Co., Ltd.

CONSOLIDATED STATEMENTS OF INCOME

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31, 2010 AND 2009
"2009" FIGURES ARE FOR THE FORMER CENTURY LEASING SYSTEM, INC. ON A CONSOLIDATED BASIS.

	Millions of yen		Thousands of U.S. dollars (Note1)
	2010	2009	2010
Revenues (Note 19)**:**			
Leases	¥635,808	¥222,129	$6,833,711
Installment sales	105,413	40,621	1,132,983
Other	17,453	3,980	187,589
Total revenues	758,674	266,730	8,154,283
Costs:			
Leases	567,884	199,314	6,103,654
Installment sales	98,378	37,490	1,057,372
Interest expense	20,001	7,466	214,970
Other	7,306	1,282	78,533
Total costs	693,569	245,552	7,454,529
Gross profit	65,105	21,178	699,754
Selling, general and administrative expenses (Note 9)	34,810	12,667	374,136
Operating income	30,295	8,511	325,618
Other income (expenses):			
Interest and dividend income	653	285	7,018
Interest expense	(1,322)	(355)	(14,210)
Equity in earnings of affiliates	909	1,365	9,774
Profit on amortization of negative goodwill	890	—	9,568
Foreign exchange gains	1,762	—	18,941
Profit on reversal of allowance for doubtful accounts	2,146	—	23,065
Gain on sale of investments in securities	170	229	1,825
Gain on adjustment due to changes of accounting standard for lease transactions	—	526	—
Merger costs	(2,058)	—	(22,122)
Loss on devaluation of investments in securities	(246)	(1,006)	(2,646)
Other, net	(35)	(579)	(376)
Income before income taxes and minority interests	33,164	8,976	356,455
Income taxes (Note 11)**:**			
Current	4,799	1,196	51,583
Deferred	2,292	1,812	24,637
	7,091	3,008	76,220
Minority interests	531	10	5,712
Net income (Note 20)	¥ 25,542	¥ 5,958	$ 274,523

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
AS OF MARCH 31, 2010 AND 2009
"2009" FIGURES ARE FOR THE FORMER CENTURY LEASING SYSTEM, INC. ON A CONSOLIDATED BASIS.

	Millions of yen		Thousands of U.S. dollars (Note1)
	2010	2009	2010
ASSETS			
Current assets:			
Cash on hand and in banks (Notes 7, 10 and 15)	¥ 31,632	¥ 67,387	$ 339,986
Accounts receivable:			
Installment sales (Notes 7 and 15)	214,460	96,135	2,305,028
Lease receivables and investment assets (Notes 7, 13 and 15)	1,288,873	506,122	13,852,887
Loans (Notes 7 and 15)	256,693	88,351	2,758,953
Leases	17,743	5,356	190,701
Other	5,242	456	56,345
Allowance for doubtful accounts (Note 15)	(9,993)	(3,381)	(107,409)
Operational investment securities (Notes 3, 5 and 15)	63,981	—	687,676
Other operating assets	1,452	—	15,607
Short-term investment securities (Notes 5 and 15)	20,000	—	214,961
Inventories	962	66	10,338
Deferred tax assets (Note 11)	4,223	411	45,392
Other current assets	36,828	9,891	395,825
Total current assets	1,932,096	770,794	20,766,290
Investments and other assets:			
Investments in securities (Notes 5, 7 and 15):			
Unconsolidated subsidiaries and affiliates	12,673	10,264	136,211
Other securities	30,631	11,912	329,223
Long-term loans and other assets	13,549	9,443	145,624
Claims provable in bankruptcy or rehabilitation (Notes 4, 7 and 15)	11,069	—	118,976
Deferred tax assets (Note 11)	7,872	3,653	84,608
Allowance for doubtful accounts (Note 15)	(4,223)	(1,062)	(45,390)
Total investments and other assets	71,571	34,210	769,252
Property and equipment, at cost less accumulated depreciation:			
Leased assets (Notes 6 and 7)	121,658	38,831	1,307,592
Own assets in use (Note 6)	3,228	936	34,696
Property and equipment, net	124,886	39,767	1,342,288
Intangible assets:			
Computer programs leased to customers	331	115	3,562
Other intangible assets	4,008	1,064	43,076
Total intangible assets	4,339	1,179	46,638
Total assets	¥2,132,892	¥845,950	$22,924,467

The accompanying notes are an integral part of these statements.

	Millions of yen 2010	2009	Thousands of U.S. dollars (Note1) 2010
LIABILITIES AND NET ASSETS			
Current liabilities:			
Short-term borrowings (Notes 7, 10 and 15)	¥ 747,916	¥307,385	$ 8,038,651
Current portion of long-term debt (Note 7)	382,208	135,453	4,108,001
Notes and accounts payable – trade (Note 15)	95,690	46,722	1,028,485
Lease obligations (Note 15)	13,751	4,837	147,799
Accrued income taxes	2,151	28	23,118
Advances received from customers	3,577	534	38,444
Deferred profit on installment sales	13,921	8,142	149,619
Other current liabilities	33,659	8,569	361,772
Total current liabilities	1,292,873	511,670	13,895,889
Long-term liabilities:			
Long-term debt (Notes 7 and 15)	619,651	247,815	6,660,053
Lease obligations (Note 15)	13,351	10,259	143,492
Retirement benefits (Note 12)	1,031	744	11,077
Guarantee deposits from customers	23,350	8,524	250,969
Deferred tax liabilities (Note 11)	3,259	—	35,023
Allowance for automobile inspection costs	162	—	1,747
Negative goodwill	1,304	—	14,015
Other long-term liabilities	19,795	6,168	212,762
Total long-term liabilities	681,903	273,510	7,329,138
Total liabilities	1,974,776	785,180	21,225,027
Contingent liabilities (Note 14)			
Net assets:			
Shareholders’ equity (Notes 17 and 18):			
Common stock without par value:			
Authorized: 400,000,000 shares Issued: 106,624,620 shares in 2010 and 52,126,000 shares in 2009	34,231	11,867	367,917
Capital surplus	5,538	5,538	59,522
Retained earnings	111,293	43,713	1,196,179
Treasury stock: 10,181 shares in 2010 and 789 shares in 2009	(9)	(1)	(96)
Total shareholders’ equity	151,053	61,117	1,623,522
Valuation, translation adjustments and other			
Net unrealized holding gain on securities	1,797	40	19,312
Net unrealized profits_(losses) on derivative instruments	1,291	(427)	13,881
Translation adjustments	(3,750)	(157)	(40,304)
Total valuation, translation adjustment, and other	(662)	(544)	(7,111)
Minority interests in consolidated subsidiaries	7,725	197	83,029
Total net assets	158,116	60,770	1,699,440
Total liabilities and net assets	¥2,132,892	¥845,950	$22,924,467

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31, 2010 AND 2009
"2009" FIGURES ARE FOR THE FORMER CENTURY LEASING SYSTEM, INC. ON A CONSOLIDATED BASIS.

	Number of shares Thousands		Millions of yen		Thousands of U.S. dollars (Note1)
	2010	2009	2010	2009	2010
Common stock					
Balance at beginning of year	52,126	52,126	¥ 11,867	¥11,867	$ 127,549
Changes due to merger	54,499	—	22,364	—	240,368
Balance at end of year	106,625	52,126	34,231	11,867	367,917
Capital surplus					
Balance at beginning of year			5,538	5,538	59,522
Balance at end of year			5,538	5,538	59,522
Retained earnings					
Balance at beginning of year			43,713	39,215	469,830
Changes due to merger			44,260	—	475,711
Net income for the year			25,542	5,958	274,523
Cash dividends			(2,222)	(1,460)	(23,886)
Disposal of treasury stock			0	—	2
Other			(0)	—	(1)
Balance at end of year			111,293	43,713	1,196,179
Treasury stock					
Balance at beginning of year	(1)	(1)	(1)	(1)	(11)
Changes due to merger	(2)	—	(1)	—	(9)
Acquisition of treasury stock	(8)	0	(8)	0	(83)
Disposal of treasury stock	1	—	1	—	7
Balance at end of year	(10)	(1)	(9)	(1)	(96)
Total shareholders' equity			¥151,053	¥61,117	$1,623,522
Net unrealized holding gain on securities					
Balance at beginning of year			¥ 40	¥ 1,103	$ 435
Changes due to merger			(180)	—	(1,937)
Net changes during the year			1,937	(1,063)	20,814
Balance at end of year			1,797	40	19,312
Net unrealized profits (losses) on derivative instruments					
Balance at beginning of year			(427)	(277)	(4,587)
Changes due to merger			2,190	—	23,537
Net changes during the year			(472)	(150)	(5,069)
Balance at end of year			1,291	(427)	13,881
Translation adjustments					
Balance at beginning of year			(157)	21	(1,696)
Changes due to merger			(4,019)		(43,195)
Net changes during the year			426	(178)	4,587
Balance at end of year			(3,750)	(157)	(40,304)
Total valuation, translation adjustment, and other			¥ (662)	¥ (544)	$ (7,111)
Minority interests in consolidated subsidiaries					
Balance at beginning of year			¥ 197	¥ 232	$ 2,125
Changes due to merger			7,837	—	84,235
Net changes during the year			(309)	(35)	(3,331)
Balance at end of year			7,725	197	83,029
Total net assets			¥158,116	¥60,770	$1,699,440

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31, 2010 AND 2009
"2009" FIGURES ARE FOR THE FORMER CENTURY LEASING SYSTEM, INC. ON A CONSOLIDATED BASIS.

	Millions of yen		Thousands of U.S. dollars (Note1)
	2010	2009	2010
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 33,164	¥ 8,976	$ 356,455
Adjustments to reconcile income before income taxes and minority interests to net cash provided by (used in) operating activities:			
Depreciation and amortization of leased assets	25,576	8,903	274,893
Increase (decrease) in allowance for doubtful accounts	(13,645)	993	(146,657)
Loss on disposal of leased assets	23,192	1,910	249,269
Loss on devaluation of investments in securities	246	1,006	2,644
Foreign exchange gains	(1,801)	—	(19,357)
Interest and dividend income	(653)	(285)	(7,018)
Interest expenses	21,323	7,821	229,181
Gain on sale of investments in securities	(169)	(229)	(1,816)
Gain on adjustment for changes of accounting standard for lease transactions	—	(526)	—
Decrease in installment sales receivable	57,787	15,287	621,098
Decrease (increase) in lease receivables and investment assets	76,707	(17,527)	824,452
Decrease (increase) in loans receivable	4,932	(10,819)	53,009
Increase in operational investment securities	(7,796)	—	(83,792)
Purchase of leased assets	(23,550)	(8,150)	(253,118)
Decrease in Claims provable in bankruptcy or rehabilitation	15,346	—	164,940
Increase (decrease) in trade notes and accounts payable	(4,942)	3,265	(53,117)
Other, net	11,088	(2,728)	119,174
Subtotal	216,805	7,896	2,330,240
Interest and dividend income received	832	435	8,942
Interest expenses paid	(21,065)	(8,547)	(226,408)
Income taxes paid	(2,264)	(5,328)	(24,333)
Net cash provided by (used in) operating activities	194,308	(5,544)	2,088,441
Cash flows from investing activities:			
Purchases of own assets in use	(1,679)	(702)	(18,046)
Proceeds from sales/redemptions of investments in securities	790	2,376	8,491
Purchases of investments in securities	(5,525)	(4,071)	(59,383)
Purchase of shares of a consolidated subsidiary	(770)	—	(8,276)
Collection of loans receivable	2	3,002	21
Payments of loans receivable	—	(3,000)	0
Other, net	(1,767)	113	(18,992)
Net cash used in investing activities	(8,949)	(2,282)	(96,185)
Cash flows from financing activities:			
Decrease in short-term borrowings, net	(134,366)	(8,498)	(1,444,174)
Proceeds from long-term debt	214,756	182,675	2,308,212
Repayment of long-term debt	(370,924)	(101,459)	(3,986,715)
Redemption of bonds	(13,500)	(4,000)	(145,099)
Cash dividends paid	(2,222)	(1,460)	(23,882)
Other, net	110	239	1,181
Net cash provided by (used in) financing activities	(306,146)	67,497	(3,290,477)
Effect of exchange rate changes on cash and cash equivalents	53	(133)	570
Net increase (decrease) in cash and cash equivalents	(120,734)	59,538	(1,297,651)
Cash and cash equivalents at beginning of year	67,387	7,849	724,280
Cash and cash equivalents increased by merger	71,133	—	764,542
Increase due to inclusion in consolidation	33,161	—	356,417
Cash and cash equivalents at end of year (Note 10)	¥ 50,947	¥ 67,387	$ 547,588

The accompanying notes are an integral part of these statements.

1. Basis of Presentation

Century Tokyo Leasing Corporation (the "Company") and its consolidated subsidiaries (collectively, the "Companies") maintain their books of account in accordance with the provisions set forth in the Corporation Law of Japan (the "Law") and the Financial Instruments and Exchange Law of Japan and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements of the Companies, which were filed with the Director of the Kanto Local Finance Bureau as required by the Law. In preparing the accompanying consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan.

The translation of Japanese yen amounts into U.S. dollar amounts is included solely for convenience, as a matter of arithmetic computation only, at ¥93.04 = US$1.00, the approximate rate of exchange in effect on March 31, 2010. This translation should not be construed as a representation that Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollar amounts at this or any other rate.

2. Summary of Significant Accounting Policies

a) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its significant subsidiaries over which the Company exerts control, principally Fujitsu Leasing Co., Ltd.

The Company's share in the earnings or losses of affiliates over which it is able to exercise significant influence in terms of their operating and financial decisions is accounted for by the equity method and included in the consolidated operating results.

In conjunction with the merger with Tokyo Leasing Co., Ltd. on April 1, 2009, TOKYO AUTO LEASING CO., LTD. and 96 other subsidiaries are consolidated from the fiscal year ended March 31, 2010.

The number of consolidated subsidiaries and affiliated companies for 2010 and 2009 are as follows:

	2010	2009
Consolidated subsidiaries	94	4
Affiliated companies	5	1

In preparing the consolidated financial statements as of March 31, 2009, Century Leasing (China) Co., Ltd. was consolidated using its financial statements as of December 31, 2008 and necessary adjustments were made to its financial statements to reflect any significant transactions from January 1 to March 31, 2009.

In preparing the consolidated financial statements as of March 31, 2010, the financial statements of TLC Freesia Co., Ltd. and 19 other subsidiaries were consolidated by using their financial statements as of the parent fiscal year end and were prepared solely for consolidation purposes. Century Tokyo Leasing (USA) and 10 other subsidiaries were consolidated using their financial statements as of their respective fiscal year end, which falls on December 31, 2009 and necessary adjustments were made to their financial statements to reflect any significant transactions from January 1 to March 31, 2010.

b) Foreign currency translation

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates in effect at the balance sheet date. Foreign exchange gain or loss on translation is recognized in the consolidated statements of income.

The balance sheet accounts of the foreign consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date, except for the components of net assets excluding minority interests which are translated at their historical exchange rates. Revenue and expense accounts are translated at the average rate of exchange in effect during the year. Differences arising from the translation are presented as translation adjustments and minority interests in its consolidated financial statements.

c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held at call with banks, net of overdrafts and short-term investments with original maturities of three months or less which are readily convertible into cash and are subject to little risk of any change in their value.

d) Revenue recognition

(Leases)

Lease revenues and the related costs on finance leases are recognized on receipt of lease payment.

Revenues from operating leases are recognized on a straight-line basis over the scheduled lease terms, and leased property is depreciated by the straight-line method based on the scheduled lease terms of the respective assets.

(Installment sales)
Installment sales and the related costs are recognized when each payment becomes due under the respective installment sales agreements.

e) Allocation of interest expenses
Interest expenses are allocated to cost of sales and other expenses based on the balances of the respective operating assets, which consist principally of lease receivable and investment assets, and other assets. Interest expenses classified as cost of sales are stated net of interest income.

f) Securities
Securities held by the Companies are classified as available-for-sale securities. Marketable available-for-sale securities are carried at fair value with any unrealized gain or loss, net of the related income taxes, included as a separate component of valuation and translation adjustments. Cost of securities sold is determined principally by the moving average method. Non-marketable available-for-sale securities are stated at cost determined principally by the moving average method.

Hybrid financial instruments, from which an embedded derivative cannot be separated, are stated at fair value and the resulting gains or losses are recognized in the consolidated statements of income. Investments in a limited partnership are measured using the equity method. As of March 31, 2010 and 2009, the Companies did not have any trading securities.

Effective for the fiscal year ended March 31, 2010, the Companies have applied a revised accounting standard for financial instruments and related implementation guidance. The effect of this change as of March 31, 2010 was to increase operational investment securities included in current assets by ¥31 million ($339 thousand) and net unrealized holding gain on securities by ¥18 million ($201 thousand), but to decrease deferred tax assets by ¥12 million ($138 thousand).

g) Inventories
Inventories held by the Company are stated at cost determined by specific identification method (of which carrying values are calculated based on the method of reduction of book value accompanied with decline in market value).

h) Property and equipment
Property and equipment is stated at cost less accumulated depreciation. Depreciation of leased assets is computed by the straight-line method based on the lease term of the respective assets. Depreciation of assets owned and used by the Companies is computed primarily by the declining-balance method (while the straight-line method is applied to buildings acquired on and after April 1, 1998) based on the estimated useful lives of the respective assets which range principally from three to forty-seven years for buildings, and from three to twenty years for equipment.

i) Intangible assets
Depreciation of the computer program leased to customers is computed by the straight-line method based on the lease-term of the respective assets. Costs related to software purchased for internal use are amortized by the straight-line method over the estimated useful life (generally five years).

Goodwill is amortized by the straight-line method over a period of five years.

j) Income taxes
Provision is made for the Companies' liabilities for various types of income taxes, i.e., corporation, inhabitants, and enterprise taxes.

Deferred tax assets and liabilities are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases and operating losses and tax credits carried forward. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which these temporary differences are expected to be recovered or settled.

k) Retirement benefits
Accrued retirement benefits for employees have been provided mainly at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as adjusted for unrecognized actuarial gain or loss. The Company and certain domestic subsidiaries have defined benefit plans covering substantially all employees other than directors and corporate auditors. Under the terms of these plans, eligible employees are entitled to lump-sum or annuity payments based on their level of compensation at termination and their years of service with the Company or the subsidiaries. To provide coverage for part of the lump-sum or annuity payments, the Company and certain domestic subsidiaries have joined a multi-employers' welfare pension fund (the "Fund") established in accordance with the Welfare Pension Insurance Law by the ITOCHU group companies.

In addition, accrued retirement benefits for directors and corporate auditors are provided at an amount to be required at the year-end according to internal regulations.

l) Derivatives and hedging activities

The Companies enter into interest-rate swap contracts and foreign exchange forward contracts in order to hedge interest-rate and foreign currency exchange rate exposure on certain liabilities and assets, including loans from banks, payables under securitized lease receivables, installment sales receivable and loans denominated in foreign currencies. The Companies utilize these derivatives to reduce the risk of cash flow fluctuation inherent in the liabilities and assets hedged, and such transactions are not entered into for speculative or trading purposes.

For interest-rate swap contracts and forward foreign exchange contracts, the Companies follow “Accounting Standard for Financial Instruments” and “Accounting Standard for Foreign Currency Transactions.” More specifically, interest-rate swaps not designated as hedging instruments are recorded at fair value in the consolidated balance sheets. Interest-rate swaps which qualify for hedge accounting and meet specific matching criteria are not measured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expense or income. Other interest-rate swaps which qualify for hedge accounting are measured at fair value as of the balance sheet date and the recognition of any unrealized gain or loss is deferred until maturity.

For forward foreign exchange contracts, the Companies follow the accounting method specified in “Accounting Standard for Financial Instruments” (“Allocation method”), if the contracts qualify for hedge accounting. Under this method, foreign currency transactions and the related monetary assets (installment sales receivable and loans receivable) are to be translated at the fixed yen amount of such foreign currency contracts at the settlement dates based on the contracted rates. The difference between this amount and the amount as translated at the current rate of exchange on the date of forward contract is allocated over the life of each contract.

Hedge effectiveness is assessed based on comparative analysis between the accumulated future cash flows for hedged item and those for hedging instruments. As for the future hedging transactions denominated in foreign currencies, hedge effectiveness is assessed if substantial terms and conditions such as amounts and periods of the hedging instruments and the hedged forecasted transactions are the same. Hedge effectiveness is not assessed for the foreign currency exchange contracts which meet the requirements for allocation method and the interest rate swaps which meet the requirements for short-cut method. The consolidated subsidiaries for the Company assess hedge effectiveness primarily based on the above methods.

With respect to portfolio hedge contracts as prescribed in the Industry Audit Committee Report No. 19, “Temporary Treatment for Accounting and Auditing of Application of the Accounting Standards for Financial Instruments in the Leasing Industry,” issued by the Japanese Institute of Certified Public Accountants, the Companies record these derivatives at fair value in the consolidated balance sheets and defer any unrealized gain or loss as an asset or a liability, to the extent that the notional principal amounts of the derivatives positions do not exceed the amounts of the underlying lease-related liabilities.

m) Appropriation of retained earnings

Under the Law the appropriation of retained earnings with respect to a given financial period is made by resolution of the shareholders at a general meeting to be held subsequent to the close of such financial period. The accounts for that period do not, therefore, reflect such appropriations.

On May 1, 2006, the Law, which superseded the Commercial Code of Japan (the “Code”), went into effect. Under the Code, the Company was permitted to declare semiannual and annual dividends. Under the Law, flexible payment of dividends is permissible subject to certain limits on appropriation of retained earnings as well as to approval by resolution of the shareholders.

n) Allowance for doubtful accounts

The allowance for doubtful accounts is recorded on the basis of historical experience to provide for possible losses from bad debts related to general trade accounts and also for the estimated amounts considered to be uncollectible after individually reviewing the specific collectibility of certain doubtful accounts.

o) Consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

p) Allowance for automobile inspection costs

Under lease and maintenance service contracts, allowance for automobile inspection costs is recorded on the basis of historical experience.

q) Negative goodwill

Negative goodwill is amortized by straight-line method over a period of five years.

3. Accounting Changes

(Operational Investment Securities)
Prior to the fiscal year ended March 31, 2009, securities held to receive interest income for business purposes were accounted for as non-business transactions.

Effective April 1, 2009, this treatment was changed as a result of consideration of the accounting treatment accompanying the merger with Tokyo Leasing Co., Ltd.

Due to this change, consolidated sales and operating income increased by ¥217 million and ¥103 million, respectively, while other income and other expenses decreased by ¥217 million and ¥114 million, respectively.

As for the consolidated balance sheets, operational investment securities under current assets increased by ¥5,488 million ($58,991 thousand) and investments in securities of investments and other assets decreased by the same amount.

The effect of this change on segment information is shown in Note 19.

(Emission Right)
Prior to the fiscal year ended March 31, 2009, emission right was accounted for as an intangible asset for which the holding purpose was projected to be own use.

Effective April 1, 2009, the accounting treatment for emission right was changed and it is classified under inventories as a result of a review of holding purposes.

(Accounting Standard for Retirement Benefits)
Effective the year ended March 31, 2010, the Company adopted a new accounting standard, Statement No. 19, "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)," issued by the Accounting Standards Board of Japan. This change had no effect on the consolidated statements of income as the change did not impact the amount of the "Provision for retirement benefits," which is related to the application of the revised accounting standard.

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)

Effective the fiscal year ended March 31, 2009, the Company has applied "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" and has made the required adjustments to the consolidated financial statements.

The effect of this change on the consolidated statements of income for the year ended March 31, 2009 is immaterial.

(Accounting Standard for Lease Transactions)
Finance lease transactions that do not transfer ownership to the lessee had been accounted for using the same method as that for operating lease transactions. However, the "Accounting Standard for Lease Transactions" and the "Implementation Guidance on Accounting Standard for Lease Transactions" are applicable for financial statements for the fiscal year beginning on or after April 1, 2008. Accordingly, effective the year ended March 31, 2009, the Company has adopted these accounting standards, and finance lease transactions are now treated as ordinary sales transactions.

As a result, operating income decreased by ¥282 million ($3,040 thousand) and income before income taxes and minority interests increased by ¥243 million ($2,614 thousand) for the year ended March 31, 2009 compared with the amount that would have been reported under the accounting method used in the previous years.

4. Change in Presentation Method

(Consolidated Balance Sheets)
Emission right in the amount of ¥6 million as at March 31, 2009 formally included in other intangible assets was presented as part of inventories from the fiscal year ended March 31, 2010.

Claims provable in bankruptcy or rehabilitation in the amount of ¥4,715 million as at March 31, 2009 formally included in "Long-term loans and other assets" were presented as "Claims provable in bankruptcy or rehabilitation" from the fiscal year ended March 31, 2010.

(Consolidated Statements of Income)
Foreign exchange profit in the amount of ¥5 million for the year ended March 31, 2009, which was included in "Other, net," was presented as "Foreign exchange gains" since the amount of the account exceeded 10% of the total of "Other income."

5. Operational Investment Securities, Short-term Investment Securities and Investments in Securities

Available-for-sale securities included in operational investment securities, short-term investment securities and investments in securities at March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Equity securities	¥ 26,513	¥ 5,877	$ 284,967
Debt securities	15,375	760	165,249
Other	72,691	5,275	781,282
	¥114,579	¥11,912	$1,231,498

The carrying amounts and aggregate fair value of securities with determinable market value at March 31, 2010 and 2009 were as follows:

	Millions of yen			
	March 31, 2010			
	Cost or book value	Unrealized gain	Unrealized loss	Fair value
Available-for-sale securities:				
Equity securities	¥11,776	¥5,165	¥1,389	¥15,552
Debt securities	15,025	315	166	15,175
Other	28,072	23	904	27,192

	Millions of yen			
	March 31, 2009			
	Cost or book value	Unrealized gain	Unrealized loss	Fair value
Available-for-sale securities:				
Equity securities	¥3,086	¥571	¥496	¥3,161
Debt securities	10	0	—	10

	Thousands of U.S. dollars			
	March 31, 2010			
	Cost or book value	Unrealized gain	Unrealized loss	Fair value
Available-for-sale securities:				
Equity securities	$126,571	$55,514	$14,930	$167,155
Debt securities	161,491	3,389	1,780	163,100
Other	301,725	250	9,713	292,261

Available-for-sale securities whose fair value was not readily determinable as of March 31, 2010 and 2009 were as follows:

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Available-for-sale:			
Equity securities	¥10,961	¥2,716	$117,813
Debt securities	200	750	2,150
Other	45,499	5,275	489,021

Proceeds from sale of available-for-sale securities and the resulting realized gain or loss for the years ended March 31, 2010 and 2009 are summarized as follows:

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Proceeds	¥435	¥100	$4,676
Realized gain	170	95	1,824
Realized loss	0	—	4

6. Accumulated Depreciation for Property and Equipment

Accumulated depreciation for property and equipment at March 31, 2010 and 2009 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Leased assets	¥90,462	¥28,116	$972,295
Own assets in use	1,928	1,273	20,726

7. Short-Term Borrowings, Long-Term Debt and Assets Pledged

Short-term borrowings at March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars	Weighted-average interest rate
	2010	2009	2010	
Short-term loans from banks	¥206,416	¥123,685	$2,218,573	0.83%
Commercial paper	529,500	179,700	5,691,101	0.16%
Payables under lease receivables	12,000	4,000	128,977	0.54%
Total	¥747,916	¥307,385	$8,038,651	

Long-term debt at March 31, 2010 and 2009 consisted of the following:

	Millions of yen		Thousands of U.S. dollars	Weighted-average interest rate
	2010	2009	2010	
Unsecured bonds due 2010	¥ —	¥ 10,000	$ —	—
Long-term loans, principally from banks	911,730	293,501	9,799,331	1.26%
Payables under securitized lease receivables	89,629	79,267	963,349	1.43%
Medium-term notes	500	500	5,374	1.40%
Total	1,001,859	383,268	10,768,054	
Less current portion	(382,208)	(135,453)	(4,108,001)	
	¥ 619,651	¥ 247,815	$ 6,660,053	

The Companies have entered into overdraft contracts which provided the Companies with the overdraft facilities with fifty-four and twenty-nine financial institutions as of March 31, 2010 and 2009 amounting to ¥642,802 million ($6,908,877 thousand) and ¥229,900 million, respectively. The unused facilities maintained by the Companies as of March 31, 2010 and 2009 amounted to ¥458,805 million ($4,931,265 thousand) and ¥131,000 million, respectively.

The aggregate annual maturity of long-term debt subsequent to March 31, 2010 is summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2011	¥ 382,208	$ 4,108,001
2012	267,122	2,871,042
2013	203,341	2,185,524
2014	88,104	946,944
2015	34,916	375,281
2016 and thereafter	26,169	281,262
	¥1,001,860	$10,768,054

The Companies' assets pledged as collateral, principally for long-term debt of ¥150,880 million ($1,621,672 thousand), at March 31, 2010 were as follows:

	Millions of yen	Thousands of U.S. dollars
Cash on hand and in banks	¥ 33	$ 354
Accounts receivable-installment sales	13,911	149,520
Accounts receivable-lease receivables and investment assets	158,364	1,702,102
Leased assets	41,369	444,641
Accounts receivable-loans	413	4,433
Investments in securities	5	57
Claims provable in bankruptcy or rehabilitation	1,205	12,956
	¥215,300	$2,314,063

8. Derivatives

In general, interest-rate swaps and foreign exchange forward contracts are exposed to market risk arising from fluctuation in interest rates and foreign exchange rates, and to credit risk arising from the potential for default by the counterparties. As the derivative instruments which the Companies utilize aim to reduce the risk of fluctuation in interest rates and foreign exchange rates associated with the underlying assets and liabilities hedged, these derivatives function to reduce the overall market risk to which the Companies are subject. The Companies believe that any related credit risk is very low because all counterparties to the derivatives position are financial institutions with high credit ratings.

With respect to the interest-rate swap contracts entered into by the Company, the Treasury Department, which is responsible for financing activities, handles the execution of, and monitors the internal control over, these transactions in accordance with the Company's internal regulations. The ALM Committee determines the Company's hedging strategy for the coming six months based on an analysis of market rate trends and the Treasury Department enters into derivatives transactions in accordance with this strategy.

The Treasury Department is also involved in the management of risk associated with foreign exchange rate fluctuation on an individual contract basis.

Before the Company executes the transactions involving compound derivative instruments where credit derivatives are embedded, persons responsible sufficiently confer on the type or management method of the risk beforehand, and then obtain approval in accordance with the Company's internal regulations.

The consolidated subsidiaries of the Company follow the Company's internal regulations, and regularly report to the Company the results of their hedging activities, the counterparties, the period remaining for each contract, and the fair value of the transactions.

The following table presents the outstanding derivatives positions that do not qualify for hedge accounting at March 31, 2010:

	Millions of yen			Thousands of U.S. dollars		
	Notional amount (over one year)	Fair value	Unrealized gain (loss)	Notional amount (over one year)	Fair value	Unrealized gain (loss)
Currency swap contracts:						
Receive/USD;						
Pay/SGD	¥ 921	¥ (17)	¥ (17)	$ 9,894	$ (187)	$ (187)
	(921)			(9,894)		
Receive/JPY;						
Pay/SGD	411	(30)	(30)	4,418	(327)	(327)
	(411)			(4,418)		
Total	¥ 1,332	¥ (47)	¥ (47)	$ 14,312	$ (514)	$ (514)
Interest-rate swap contracts:						
Receive/fixed; Pay/floating	¥ 2,072	¥ (25)	¥ (25)	$ 22,270	$ (269)	$ (269)
	(268)			(2,883)		
Pay/fixed; Receive/floating	22,219	(238)	(238)	238,814	(2,554)	(2,554)
	(7,250)			(77,923)		
Interest-rate cap contracts						
Call	517	0	0	5,554	0	0
	(—)			(—)		
Total	¥24,808	¥(263)	¥(263)	$266,638	$(2,823)	$(2,823)

Note: Fair value is primarily based on the prices indicated by corresponding financial institutions.

The following table presents the derivatives positions outstanding at March 31, 2009:

	Millions of yen		
	Notional amount (over one year)	Fair value	Unrealized gain (loss)
Interest-rate swap contracts:			
Pay/fixed; Receive/floating	¥1,460	¥(194)	¥(194)
	(1,460)		
Total	¥1,460	¥(194)	¥(194)

The following table presents the fair value of the portfolio hedge transactions outstanding at March 31, 2009:

	Millions of yen		
	Notional amount (over one year)	Fair value	Unrealized gain (loss)
Interest-rate swap contracts:			
Pay/fixed; Receive/floating	¥100	¥(0)	¥(0)
	(100)		
Total	¥100	¥(0)	¥(0)

The following table presents the outstanding derivative positions that qualify for hedge accounting at March 31, 2010:

		Millions of yen		Thousands of U.S. dollars	
	Hedged items	Notional amount (over one year)	Fair value	Notional amount (over one year)	Fair value
Allocation method:					
Forward exchange contracts:					
Put					
USD	Accounts-receivable–installment sales	¥ 996 (742)	¥ (7)	$10,701 (7,974)	$ (73)
THB	Accounts-receivable–installment sales	325 (—)	(7)	3,493 (—)	(72)
Call					
USD	Accounts-receivable–installment sales	430 (—)	17	4,625 (—)	181
Deferral hedge accounting:					
Forward exchange contracts:					
Put					
USD	Inventories	785 (90)	(14)	8,432 (972)	(147)
Call					
USD	Inventories	533 (—)	6	5,727 (—)	69
Currency options :					
Call					
USD	Inventories	1,086 (—)	13	11,679 (—)	135
Put					
USD	Inventories	1,086 (—)	5	11,679 (—)	48
Total		¥5,241 (832)	¥ 13	$56,336 (8,946)	$ 142

		Millions of yen		Thousands of U.S. dollars	
	Underlying assets or liabilities hedged	Notional amount (over one year)	Fair value	Notional amount (over one year)	Fair value
Interest rate swap					
Deferral hedge accounting:					
Pay/fixed; Receive/floating	Borrowings	¥ 86,779 (54,067)	¥ (884)	$ 932,707 (581,117)	$ (9,500)
Short-cut method:					
Receive/fixed; Pay/floating	Borrowings	70,552 (54,226)	(140)	758,300 (582,823)	(1,505)
Pay/fixed; Receive/floating	Borrowings	152,056 (107,477)	(1,502)	1,634,304 (1,155,175)	(16,143)
Receive/floating; Pay/fixed	Borrowings	12,500 (10,500)	75	134,351 (112,855)	804
Total		¥ 321,887 (226,270)	¥(2,451)	$ 3,459,662 (2,431,970)	$(26,344)

The following table presents the fair value of the portfolio hedge transactions outstanding at March 31, 2010:

	Millions of yen			Thousands of U.S. dollars		
	2010			2010		
	Notional amount (over one year)	Fair value	Unrealized gain (loss)	Notional amount (over one year)	Fair value	Unrealized gain (loss)
Interest-rate swap contracts:						
Pay/fixed; Receive/floating	¥50 (—)	¥(0)	¥(0)	$537 (—)	$(3)	$(3)
	¥50	¥(0)	¥(0)	$537	$(3)	$(3)

9. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the year ended March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Employees' salaries and wages	¥13,285	¥3,801	$142,792
Allowance for doubtful accounts	5,657	3,770	60,801
Allowance for accrued bonuses for employees	1,540	590	16,552
Retirement benefit expenses	491	40	5,282
Allowance for accrued bonuses for directors	65	40	697
Allowance for retirement benefits for directors	24	8	256
Computer expense	—	1,276	—

10. Notes to the Consolidated Statements of Cash Flows

(1) Cash and cash equivalents at March 31, 2010 and 2009 are reconciled to the accounts reported in the consolidated balance sheet as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Cash on hand and in banks	¥31,632	¥67,387	$339,986
Time deposits with maturities of more than three months	(100)	—	(1,075)
Cash equivalents included in short-term investment securities	20,000	—	214,961
Bank overdrafts	(585)	—	(6,284)
Cash and cash equivalents	¥50,947	¥67,387	$547,588

(2) The following is the summary of assets acquired and liabilities assumed through the merger with Tokyo Leasing Co., Ltd. (including assets and liabilities of newly consolidated subsidiaries) for the year ended March 31, 2010.

	Millions of yen	Thousands of U.S. dollars
Current assets	¥1,434,011	$15,412,838
Non-current assets	143,839	1,545,993
Total assets	1,577,850	16,958,831
Current liabilities	901,914	9,693,837
Non-current liabilities	603,484	6,486,282
Total liabilities	¥1,505,398	$16,180,119

11. Income Taxes

The Company and its domestic subsidiaries are subject to Japanese national and local taxes which, in the aggregate, resulted in statutory tax rates of approximately 40.7% and 40.6% for the years ended March 31, 2010 and 2009, respectively. The following is a reconciliation between the statutory tax rates and the effective tax rates for the years ended March 31, 2010 and 2009.

	2010	2009
Statutory tax rates	40.7%	40.6%
Valuation allowance	(17.1)	—
Equity in earnings of affiliates	(1.1)	(6.2)
Entertainment expenses not qualified as tax deductions	—	0.6
Amortization of consolidation adjustment account	(0.9)	—
Other	(0.2)	(1.5)
Effective tax rates	21.4%	33.5%

Temporary differences and tax loss carry forwards which gave rise to deferred tax assets and liabilities for the years ended March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Deferred tax assets:			
Allowance for doubtful accounts	¥ 5,752	¥1,134	$ 61,826
Tax adjustments for lease transactions	1,437	784	15,443
Loss on devaluation of own assets in use	572	534	6,149
Depreciation	1,389	403	14,934
Retirement benefits	1,090	303	11,720
Loss on devaluation of investments in securities	1,361	—	14,631
Accrued bonuses	628	—	6,753
Other	2,992	928	32,144
Subtotal	15,221	4,086	163,600
Less valuation allowance	(1,130)	—	(12,141)
Total deferred tax assets	14,091	4,086	151,459
Deferred tax liabilities:			
Net unrealized holding gain on securities	(1,190)	(22)	(12,786)
Other	(4,064)	—	(43,697)
Total deferred tax liabilities	(5,254)	(22)	(56,483)
Net deferred tax assets	¥ 8,837	¥4,064	$ 94,976

12. Retirement Benefits

Although the Company merged with Tokyo Leasing Co., Ltd. on April 1, 2009, the retirement benefit schemes for both of Tokyo Leasing Co., Ltd. and the Company remained unchanged during the fiscal year ended March 31, 2010.

The former Century Leasing System Corporation has a multi-employer welfare pension fund plan and a defined benefit plan as a defined benefit scheme, and also has a defined contribution plan as a defined contribution scheme.

The former Tokyo Leasing Co., Ltd. has a lump-sum payment plan and a defined benefit plan as a defined benefit scheme, and also has a defined contribution plan as a defined contribution scheme.

During the year ended March 31, 2005, former Tokyo Leasing Co., Ltd. contributed certain marketable securities, which are qualified as plan assets, to an employee retirement benefit trust.

Certain domestic subsidiaries have a lump-sum payment plan and a defined benefit plan as a defined benefit scheme.

The following summarizes the funding status of, and amounts recognized in the consolidated balance sheets at March 31, 2010 and 2009 for the Company's and the consolidated domestic subsidiaries' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Projected benefit obligation	¥(8,702)	¥(4,267)	$ (93,534)
Fair value of plan assets	9,904	4,668	106,458
Unfunded benefit obligation	1,202	401	12,924
Unrecognized actuarial loss	636	313	6,837
Unrecognized prior service cost	(1,093)	(1,458)	(11,754)
Net recognized retirement benefit obligation	¥ 745	¥ (744)	$ 8,007
Prepaid pension and severance costs	(1,725)	—	(18,545)
Accrued benefit obligation for employees	¥ (980)	¥ (744)	$ (10,538)

The following summarizes the components of the net periodic pension cost for employees for the years ended March 31, 2010 and 2009:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Service cost	¥ 386	¥ 142	$ 4,152
Interest cost	186	104	2,001
Expected return on plan assets	(103)	(47)	(1,108)
Amortization of actuarial loss	116	22	1,244
Amortization of prior service cost	(365)	(365)	(3,918)
Contribution to the fund	137	136	1,477
Contribution paid to the defined contribution pension plan	133	47	1,434
Net periodic pension cost	491	40	5,282
Loss on transfers between retirement benefit plans	—	145	—
Total	¥ 491	¥ 185	$ 5,282

The assumptions used in determining the pension benefit obligation are shown below.

	2010	2009
Discount rate	2.0~2.5%	2.5%
Expected rate of return on plan assets	1.0~3.2%	1.0%
Period for the recognition of actuarial gain or loss	five or ten years	five years
Period for the recognition of prior service cost	five years or accrual basis	five years

The following summarizes the most recent funded status of the multi-employer welfare pension fund as of March 31, 2010 and 2009 plans.

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Amount of pension assets	¥ 45,585	¥ 54,978	$ 489,947
Benefit obligations under pension funding programs	(70,099)	(64,607)	(753,429)
Difference	¥(24,514)	¥ (9,629)	$(263,482)

The difference at March 31, 2010 above consisted of prior service cost under pension funding programs of ¥7,864 million ($84,525 thousand) and a general reserve of ¥16,650 million ($178,957 thousand).

For the year ended March 31, 2010, the ratio of the Company's contributions against total contributions to the plan was 2.82%.

13. Lease Transactions

Finance leases that do not transfer ownership to the lessee are capitalized as lease investment assets. Information relating to finance leases of the Companies at March 31, 2010 and 2009 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Future lease payments	¥1,295,151	¥519,276	$13,920,369
Estimated residual value	40,027	28,467	430,208
Future interest income	(116,051)	(55,617)	(1,247,322)
	¥1,219,127	¥492,126	$13,103,255

The aggregate annual maturity of finance lease receivables that transfer ownership to the lessees, subsequent to March 31, 2010 and 2009, is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Due within one year	¥25,233	¥ 4,477	$271,201
Due after one to two years	20,334	3,637	218,550
Due after two to three years	14,187	3,204	152,483
Due after three to four years	9,563	2,406	102,786
Due after four to five years	4,000	1,222	42,997
Due after five years	1,183	348	12,712
	¥74,500	¥15,294	$800,729

The aggregate annual maturity of finance lease receivables that do not transfer ownership to the lessees, subsequent to March 31, 2010 and 2009, is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Due within one year	¥ 461,638	¥180,444	$ 4,961,719
Due after one to two years	337,306	138,033	3,625,390
Due after two to three years	230,216	95,318	2,474,380
Due after three to four years	138,359	57,779	1,487,092
Due after four to five years	66,238	26,231	711,925
Due after five years	61,394	21,471	659,863
	¥1,295,151	¥519,276	$13,920,369

As for the lease accounting treatment for finance lease transactions that do not transfer ownership to the lessees starting before April 1, 2008, the amounts of "Leased assets" (net of accumulated depreciation) at March 31, 2008 were recorded as the beginning balance of "Investment assets," and the amounts of rental revenues were recorded by the straight-line method based on the scheduled lease terms. As a result, "Income before income taxes and minority interests" increased by ¥7,015 million ($75,406 thousand) for the year ended March 31, 2010 and decreased by ¥14,325 million for the year ended March 31, 2009, respectively compared with the amount calculated on the assumption that the finance lease transactions that do not transfer ownership to the lessee starting before April 1, 2008 would have been accounted for using the interest method retroactively from each commencement date.

The future minimum lease income subsequent to March 31, 2010 under non-cancellable operating leases is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Due within one year	¥24,175	¥ 5,707	$259,836
Due after one years	66,324	30,608	712,853
	¥90,499	¥36,315	$972,689

14. Commitments and Contingent Liabilities

The Companies' contingent liabilities at March 31, 2010 and 2009 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
As a guarantor of indebtedness of:			
Loan and other guarantees	¥31,027	¥9,545	$333,484
Asset guarantees	2,390	—	25,683
Employees	356	420	3,830
	¥33,773	¥9,965	$362,997

The Companies, as lenders, have loan commitment agreements as of March 31, 2010 and 2009 amounting to ¥40,680 million ($437,235 thousand) and ¥11,116 million, respectively. The loans provided under these credit facilities as of March 31, 2010 and 2009 amounted to ¥8,053 million ($86,555 thousand) and ¥4,316 million, respectively. Many of the facilities may expire without being utilized and the loans provided are subject to periodic reviews of the borrowers' credit standing. The unused portion of these facilities may not be fully utilized.

15. Estimated Fair Value of Financial Instruments

The following table presents the carrying value and estimated fair value of financial instruments at March 31, 2010. The following table does not include financial instruments for which it is extremely difficult to determine the fair value.

	Millions of yen		
	As of March 31, 2010		
	Carrying value	Estimated fair value	Difference
Assets			
(1) Cash on hand and in banks	¥ 31,632	¥ 31,632	—
(2) Accounts receivable-installment sales	214,460		
Deferred profit on installment sales	(13,921)		
	200,539		
Allowance for doubtful accounts	(1,740)		
	198,799	202,368	3,569
(3) Accounts receivable-lease receivables and investment assets	1,288,873		
Estimated residual value	(40,027)		
	1,248,846		
Allowance for doubtful accounts	(5,539)		
	1,243,307	1,315,597	72,290
(4) Accounts receivable-loans	256,693		
Allowance for doubtful accounts	(2,702)		
	253,991	259,608	5,617
(5) Operational investment securities	22,367	22,367	—
(6) Short-term investment securities and investments in securities	35,552	35,552	—
(7) Claims provable in bankruptcy or rehabilitation	11,069		
Allowance for doubtful accounts	(4,223)		
	6,846	6,846	—
Total assets	¥1,792,494	¥1,873,970	¥81,476
Liabilities			
(1) Notes and accounts payable-trade	95,690	95,690	—
(2) Short-term loans from banks	206,416	206,416	—
(3) Commercial paper	529,500	529,500	—
(4) Payables under lease receivables	12,000	12,000	—
(5) Medium-term notes	500	501	(1)
(6) Long-term loans, principally from banks	911,730	914,831	(3,101)
(7) Long-term payables under securitized lease receivables	89,629	91,057	(1,428)
(8) Lease obligations	27,102	26,443	659
Total liabilities	¥1,872,567	¥1,876,438	¥ (3,871)
Derivatives			
Hedge accounting applied	(310)	(310)	—
Hedge accounting not applied	(874)	(2,438)	(1,564)
Total derivatives	¥ (1,184)	¥ (2,748)	¥ (1,564)

	Thousands of U.S. dollars		
	As of March 31, 2010		
	Carrying value	Estimated fair value	Difference
Assets			
(1) Cash on hand and in banks	$ 339,986	$ 339,986	—
(2) Accounts receivable-installment sales	2,305,028		
Deferred profit on installment sales	(149,619)		
	2,155,409		
Allowance for doubtful accounts	(18,702)		
	2,136,707	2,175,066	38,359
(3) Accounts receivable-lease receivables and investment assets	13,852,887		
Estimated residual value	(430,208)		
	13,422,679		
Allowance for doubtful accounts	(59,531)		
	13,363,148	14,140,127	776,979
(4) Accounts receivable-loans	2,758,953		
Allowance for doubtful accounts	(29,041)		
	2,729,912	2,790,279	60,367
(5) Operational investment securities	240,400	240,400	—
(6) Short-term investment securities and investments in securities	382,116	382,116	—
(7) Claims provable in bankruptcy or rehabilitation	118,976	118,976	
Allowance for doubtful accounts	(45,390)	(45,390)	
	73,586	73,586	—
Total assets	$19,265,855	$20,141,560	$875,705
Liabilities			
(1) Notes and accounts payable-trade	1,028,485	1,028,485	—
(2) Short-term loans from banks	2,218,573	2,218,573	—
(3) Commercial paper	5,691,101	5,691,101	—
(4) Payables under lease receivables	128,977	128,977	—
(5) Medium-term notes	5,374	5,387	(13)
(6) Long-term loans, principally from banks	9,799,331	9,832,663	(33,332)
(7) Long-term payables under securitized lease receivables	963,349	978,681	(15,332)
(8) Lease obligations	291,291	284,214	7,077
Total liabilities	$20,126,481	$20,168,081	$ (41,600)
Derivatives			
Hedge accounting applied	(3,336)	(3,336)	—
Hedge accounting not applied	(9,398)	(26,204)	(16,806)
Total derivatives	$ (12,734)	$ (29,540)	$ (16,806)

(*1) General and specific allowances are deducted from the amounts of accounts receivable-installment sales, lease receivables and investment assets, accounts receivable-loans and claims provable in bankruptcy or rehabilitation, respectively.

(*2) Estimated residual values included in the account of lease receivables and investment assets are deducted.

(Note 1) Methods to determine the estimated fair value of financial instruments and other matters related to securities and derivative transactions.

Assets

(1) Cash on hand and in banks
Since these items are settled in a short period of time, the carrying value approximates fair value.

(2) Accounts receivable-installment sales, (3) Lease receivables and investment assets and (4) Accounts receivable-loans
Based on the classification by internal rating and contract terms, the fair value is estimated by the present value of the total of principal and interest discounted by the interest rate to be applied if similar contracts were entered into.

(5) Operational investment securities and (6) Short-term investment securities and Investments in securities
The fair values of the above securities are based on the prices provided by the counterparty financial institutions. For information on securities by holding purpose, please refer to Note 5.

(7) Claims provable in bankruptcy or rehabilitation
The fair value of above are assumed to approximate their carrying value with the deduction of relevant allowances because their carrying value are measured based on the fair value of the collateral and guarantees.

Liabilities

(1) Notes and accounts payable-trade, (2) Short-term loans from banks, (3) Commercial paper and (4)Payables under lease receivables
Since these items are settled in a short period of time, the carrying value approximates fair value.

(5) Medium-term notes, (6) Long-term loans, principally from banks and (7) Long-term payables under securitized lease receivables
The fair value is based on the present value of the total of principal and interest discounted by an interest rate to be applied if similar new bonds or loan agreements were entered into.

(8) Lease obligations
Based on the classification by internal rating and contract terms, the fair value is estimated by the present value of the total of principal and interest discounted by the interest rate to be applied if similar contract were entered into.

Derivatives

Assets and liabilities arising from derivative are shown at net value in the above table, and with the amount in parentheses representing net liability position. Please refer to Note 8 Derivatives regarding the details of derivative transactions.

(Note 2) Financial instruments for which it is extremely difficult to determine the fair value

	Millions of yen	Thousands of U.S. dollars
	As of March 31, 2010	
Description	Carrying value	
Unlisted shares	¥23,634	$254,024
Bonds	200	2,150
Trust beneficiary rights	6,134	65,930
Investments in limited partnerships, etc.	39,364	423,091
Total	¥69,332	$745,195

Because no quoted market price is available and it is extremely difficult to determine the fair value, the above financial instruments are not included in the above table.

(Note 3) Redemption schedule for receivables and marketable securities with maturities at March 31, 2010

	Millions of yen					
	As of March 31, 2010					
	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash on hand and in banks	¥ 31,632	¥ —	¥ —	¥ —	¥ —	¥ —
Accounts receivable-installment sales	85,017	54,720	31,029	16,237	10,638	16,819
Accounts receivable-loans	78,414	63,361	36,502	24,187	14,815	39,414
Operational investment securities:						
Available-for-sale securities with maturities						
(1) Bonds	1,067	1,539	1,911	6,850	532	2,126
(2) Other	—	684	900	—	700	—
Short-term investment securities and investments in securities:						
Available-for-sale securities with maturities						
(1) Bonds	—	—	—	—	—	—
(2) Other	20,000	—	—	—	—	—
Total	¥216,130	¥120,304	¥70,342	¥47,274	¥26,685	¥58,359

	Thousands of U.S. dollars					
	As of March 31, 2010					
	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash on hand and in banks	$ 339,986	$ —	$ —	$ —	$ —	$ —
Accounts receivable-installment sales	913,765	588,136	333,501	174,511	114,340	180,775
Accounts receivable-loans	842,797	681,013	392,624	259,963	159,229	423,627
Operational investment securities:						
Available-for-sale securities with maturities						
(1) Bonds	11,469	16,541	20,546	73,626	5,721	22,852
(2) Other	—	7,347	9,673	—	7,524	—
Short-term investment securities and investments in securities:						
Available-for-sale securities with maturities						
(1) Bonds	—	—	—	—	—	—
(2) Other	214,961	—	—	—	—	—
Total	$2,322,978	$1,293,037	$756,044	$508,100	$286,814	$627,254

The redemption schedule for long-term debt and lease receivables and investment assets are disclosed Note 7 and Note 13, respectively.

16. Business Combination

On February 25, 2009, the extraordinary shareholders meeting of the Company approved a merger agreement with Tokyo Leasing Co., Ltd. effective April 1, 2009, stating that all of assets, rights and obligations and employees of Tokyo Leasing Co., Ltd. were taken over by Century Leasing System Inc.

1. Name of combined company and its main business, date of the merger, legal form of the combination and the name of the company merged.
   (1) Name of the combined company and its main business
      Name Tokyo Leasing Co., Ltd.
      Main business Leasing business, installment sales, loan business and other

(2) Date of the merger
April 1, 2009
(3) Legal form of the business combination
Merger by pool of interest method between the Company as the surviving corporation and Tokyo Leasing Co., Ltd. as the dissolved corporation
(4) Name of the merged company
The merged company was renamed, the Century Tokyo Leasing Corporation

2. Merger ratio, number of shares issued by merger and voting right ratio after the merger.
(1) Merger ratio
1 share of Tokyo Leasing Co., Ltd. in exchange for 0.85 of a share of common stock of the Company
(2) Number of share issued by the merger
Common stock 54,498,620 shares
(3) Ratio of voting right after the merger
The Company 49.0 %
Tokyo Leasing Co., Ltd. 51.0 %

3. Details of assets, liabilities and net assets taken over from the dissolved corporation. (As of April 1, 2009)

	Millions of yen	Thousands of U.S. dollars
Current assets	¥1,045,256	$11,234,485
Non-current assets	112,746	1,211,800
Total assets	1,158,002	12,446,285
Current liabilities	678,077	7,288,016
Non-current liabilities	426,778	4,587,036
Total liabilities	1,104,855	11,875,052
Net assets	¥ 53,147	$ 571,233

17. Dividends

(1) Dividends paid to shareholders

(Date of approval) Resolution approved by	Type of shares	Amount: Millions of yen / Thousands of U.S. dollars	Amount per share: Yen / U.S. dollars	Shareholders' cut-off date	Effective date
(June 17, 2009) Annual general meeting of shareholders	Common stock	¥729 $7,843	¥14.0 $0.15	March 31, 2009	June 18, 2009
(November 9, 2009) Board of directors	Common stock	¥1,493 $16,043	¥14.0 $0.15	September 30, 2009	December 10, 2009

(Date of approval) Resolution approved by	Type of shares	Amount: Millions of yen / Thousands of U.S. dollars	Amount per share: Yen / U.S. dollars	Shareholders' cut-off date	Effective date
(June 20, 2008) Annual general meeting of shareholders	Common stock	¥729 $7,439	¥14.0 $0.14	March 31, 2008	June 23, 2008
(November 7, 2008) Board of directors	Common stock	¥729 $7,439	¥14.0 $0.14	September 30, 2008	December 8, 2008

(2) Dividends with a shareholders' cut-off date during the current fiscal year but an effective date subsequent to the current fiscal year

(Date of approval) Resolution approved by	Type of shares (Paid from)	Amount: Millions of yen / Thousands of U.S. dollars	Amount per share: Yen / U.S. dollars	Shareholders' cut-off date	Effective date
(June 24, 2010) Annual general meeting of shareholders	Common stock (Retained earnings)	¥1,919 $20,626	¥18.0 $0.19	March 31, 2010	June 25, 2010

18. Legal Reserve and Additional Paid-in Capital

In accordance with the Law, the Company provides a legal reserve which is included in retained earnings. The Law provides that an amount equal to 10% of the amounts to be disbursed as distributions of earnings be appropriated to the legal reserve until the sum of the legal reserve and additional paid-in capital equals 25% of the common stock account. The Law provides that neither additional paid-in capital nor the legal reserve is available for the payment of dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors. The Law also provides that, if the total amount of additional paid-in capital and the legal reserve exceeds 25% of the amount of common stock, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders. Under the Law, however, such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met.

19. Segment Information

Information by business segment for the years ended March 31, 2010 and 2009 is as follows:

By business segment

	Millions of yen					
	Year ended March 31, 2010					
	Leasing	Installment sales	Loans	Other	Elimination or corporate	Consolidated
(1) Operating revenues						
Revenue from customers	¥ 635,808	¥105,413	¥ 8,126	¥ 9,327	¥ —	¥ 758,674
Intersegment revenue	—	—	—	655	(655)	—
Total sales	635,808	105,413	8,126	9,982	(655)	758,674
Operating expenses	600,586	104,439	7,121	8,687	7,546	728,379
Operating income	¥ 35,222	¥ 974	¥ 1,005	¥ 1,295	¥ (8,201)	¥ 30,295
(2) Total assets, depreciation and capital expenditures						
Total assets	¥1,466,555	¥225,303	¥264,066	¥78,631	¥98,337	¥2,132,892
Depreciation	25,576	—	—	—	2,050	27,626
Capital expenditures	23,552	—	—	—	3,216	26,768

	Thousands of U.S. dollars					
	Year ended March 31, 2010					
	Leasing	Installment sales	Loans	Other	Elimination or corporate	Consolidated
(1) Operating revenues						
Revenue from customers	$ 6,833,711	$1,132,983	$ 87,336	$100,253	$ —	$ 8,154,283
Intersegment revenue	—	—	—	7,037	(7,037)	—
Total sales	6,833,711	1,132,983	87,336	107,290	(7,037)	8,154,283
Operating expenses	6,455,142	1,122,517	76,532	93,374	81,100	7,828,665
Operating income	$ 378,569	$ 10,466	$ 10,804	$ 13,916	$ (88,137)	$ 325,618
(2) Total assets, depreciation and capital expenditures						
Total assets	$15,762,632	$2,421,566	$2,838,202	$845,130	$1,056,937	$22,924,467
Depreciation	274,891	—	—	—	22,034	296,926
Capital expenditures	253,137	—	—	—	34,568	287,705

As mentioned in Note 3, effective April 1, 2009, the accounting treatment for securities held for interest income for business purposes was changed and is now accounted for as a business transaction.

Due to the above change, consolidated sales and operating income for the other segment increased by ¥217 million ($2,341 thousand) and ¥60 million ($653 thousand), respectively compared with the figures based on the former accounting treatment.

	Millions of yen					
	Year ended March 31, 2009					
	Leasing	Installment sales	Loans	Other	Elimination or corporate	Consolidated
(1) Operating revenues						
Revenue from customers	¥222,129	¥40,621	¥ 2,265	¥1,715	¥ —	¥266,730
Intersegment revenue	—	—	—	—	—	—
Total sales	222,129	40,621	2,265	1,715	—	266,730
Operating expenses	210,612	40,460	2,040	1,434	3,673	258,219
Operating income	¥ 11,517	¥ 161	¥ 225	¥ 281	¥ (3,673)	¥ 8,511
(2) Total assets, depreciation and capital expenditures						
Total assets	¥556,307	¥97,548	¥90,844	¥6,511	¥94,740	¥845,950
Depreciation	8,903	—	—	—	443	9,346
Capital expenditures	8,143	—	—	—	423	8,566

By geographic segment

Sales and total assets of the Company and its domestic subsidiaries for the years ended March 31, 2010 and 2009 represented more than 90% of the consolidated sales and total assets for the respective years. Accordingly, information by geographic segment is not disclosed.

Sales to overseas customers

Sales to overseas customers for the years ended March 31, 2010 and 2009 represented less than 10% of the consolidated sales for the respective years. Accordingly, information on sales to overseas customers is not disclosed.

20. Amounts Per Share

	Millions of yen		Thousands of U.S. dollars
	2010	2009	2010
Net assets	¥1,410.61	¥1,162.07	$15.16
Net income	239.57	114.29	2.57

Under Statement No. 2, the accounting standard for earnings per share of common stock issued by the Accounting Standards Board of Japan, basic net income per share is computed by dividing the net income available for distribution to shareholders of common stock by the weighted-average number of shares of common stock outstanding during the period. The weighted-average number of shares of common stock used in the computation for the year ended March 31, 2010 and 2009 was 106,616 and 52,125 thousand shares, respectively.

Diluted net income per share of common stock has not been presented because there were no potentially dilutive shares outstanding.

Net assets per share are computed based on net assets available for distribution to the shareholders of common stock (i.e., net assets excluding minority interests) and the number of shares of common stock outstanding at each balance sheet date.

ERNST & YOUNG

Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3 Uchisaiwai-cho
Chiyoda-ku, Tokyo, Japan 100-0011

Tel : +81 3 3503 1100
Fax: +81 3 3503 1197

Report of Independent Auditors

The Board of Directors
Century Tokyo Leasing Corporation

We have audited the accompanying consolidated balance sheets of Century Tokyo Leasing Corporation and consolidated subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of income, changes in net assets, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Century Tokyo Leasing Corporation and consolidated subsidiaries at March 31, 2010 and 2009, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 3 to the consolidated financial statements, the Company has adopted the accounting standard for lease transactions.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2010 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 18, 2010

MAIN SUBSIDIARIES AND AFFILIATES

AS OF JULY 1, 2010

Consolidated Subsidiaries

TOKYO AUTO LEASING CO., LTD.
Nittochi Okachimachi Bldg., 2-27-5, Taito,
Taito-ku, Tokyo 110-0016
Telephone: 81-3-6357-5566

Date Founded: March 1979
Paid-in Capital: ¥200 Million
Voting Shares: 100%
Main Business Operations: Automobile and automobile-related equipment leasing

ORICO AUTO LEASING CO., LTD.
Nittochi Okachimachi Bldg., 2-27-5, Taito,
Taito-ku, Tokyo 110-0016
Telephone: 81-3-6865-5515

Date Founded: March 2008
Paid-in Capital: ¥240 Million
Voting Shares: 50%
Main Business Operations: Automobile leasing

FUJITSU LEASING CO., LTD.
FUJISOFT Bldg., 3, Kanda-Neribeicho, Chiyoda-ku,
Tokyo 101-0022
Telephone: 81-3-5843-6301

Date Founded: March 1978
Paid-in Capital: ¥1,000 Million
Voting Shares: 80%
Main Business Operations: IT-related equipment leasing

S.D.L CO., LTD.
Shiseido Main Bldg., 7-5-5, Ginza, Chuo-ku, Tokyo
104-0061
Telephone: 81-3-3289-2028

Date Founded: January 1991
Paid-in Capital: ¥100 Million
Voting Shares: 90%
Main Business Operations: Automobile leasing and general leasing

IHI FINANCE SUPPORT CORPORATION
1-8-17, Yaesu, Chuo-ku, Tokyo 103-0028
Telephone: 81-3-3275-3721

Date Founded: December 1991
Paid-in Capital: ¥200 Million
Voting Shares: 67%
Main Business Operations: Finance and general leasing

ITEC LEASING CO., LTD.
Kyodo Bldg. #7, 1-4-1, Jinnan, Shibuya-ku,
Tokyo 150-0041
Telephone: 81-3-5456-4760

Date Founded: September 1984
Paid-in Capital: ¥20 Million
Voting Shares: 85%
Main Business Operations: Broadcasting equipment leasing

TRY, INC.
World Trade Center Bldg., 2-4-1, Hamamatsu-cho,
Minato-ku, Tokyo 105-6110
Telephone: 81-3-3435-4481

Date Founded: May 2004
Paid-in Capital: ¥21 Million
Voting Shares: 100%
Main Business Operations: Refurbishment (reuse and recycling) of PCs

TC AGENCY CORPORATION
Nittochi Okachimachi Bldg., 2-27-5, Taito, Taito-ku,
Tokyo 110-0016
Telephone: 81-3-5818-8370

Date Founded: January 1987
Paid-in Capital: ¥10 Million
Voting Shares: 100%
Main Business Operations: Casualty insurance (primary business)

TC BUSINESS SERVICE CORPORATION
Nittochi Okachimachi Bldg., 2-27-5, Taito, Taito-ku,
Tokyo 110-0016
Telephone: 81-3-5818-8076

Date Founded: June 2004
Paid-in Capital: ¥20 Million
Voting Shares: 100%
Main Business Operations: Business processing services for the Group

TC BUSINESS EXPERTS CORPORATION
Nittochi Okachimachi Bldg., 2-27-5, Taito, Taito-ku,
Tokyo 110-0016
Telephone: 81-3-5818-8501

Date Founded: April 2010
Paid-in Capital: ¥10 Million
Voting Shares: 100%
Main Business Operations: Business inspection services for the Group

Consolidated Subsidiaries

CENTURY TOKYO LEASING CHINA CORPORATION
A2501-92, 14, City Center Shanghai, 100 Zunyi Road,
Changning District, Shanghai 200051
Telephone: 86-21-6237-0066

Date Founded: July 2006
Paid-in Capital US$40,000 thousand
Voting Shares: 95%
Main Business Operations: General leasing

CENTURY TOKYO LEASING (SINGAPORE) PTE., LTD.
138 Robinson Road, The Corporate Office #12-01,
Singapore 068906
Telephone: 65-6532-3436

Date Founded: May 1979
Paid-in Capital: S$19,340 thousand
Voting Shares: 100%
Main Business Operations: General leasing

CENTURY TOKYO CAPITAL (MALAYSIA) SDN. BHD.
Suite 11.2, Level 11, Menara Weld,
No. 76 Jalan Raja Chulan, 50200 Kuala Lumpur,
Malaysia
Telephone: 60-3-2070-2633

Date Founded: June 2007
Paid-in Capital: RM8,253 thousand
Voting Shares: 100%
Main Business Operations: General leasing

TOKYO LEASING (HONG KONG) LTD.
Room 301, 3rd Floor, Sun Hung Kai Centre,
30 Harbour Road, Wan Chai, Hong Kong

Date Founded: October 1972
Paid-in Capital: HK$13,000 thousand
Voting Shares: 100%
Main Business Operations: General leasing

CENTURY TOKYO LEASING (USA) INC.
Suite 401, 3020 Westchester Avenue, Purchase,
NY 10577, U.S.A.
Telephone: 1-914-697-9030

Date Founded: December 1985
Paid-in Capital: US$26,513 thousand
Voting Shares: 100%
Main Business Operations: General leasing

TOKYO LEASING (UK) PLC
1st Floor, Kingsbridge House, Pinner,
Middlesex HA5 5LX, U.K.
Telephone: 44-20-8429-1963

Date Founded: May 1983
Paid-in Capital: STG£6,655 thousand
Voting Shares: 100%
Main Business Operations: General leasing

Equity-Method Affiliates

NIPPON CAR SOLUTIONS CO., LTD.
Seavans North Bldg., 1-2-1, Shibaura, Minato-ku,
Tokyo 105-0023
Telephone: 81-3-6436-1190

Date Founded: February 1987
Paid-in Capital: ¥981 Million
Voting Shares: 50%
Main Business Operations: Automobile leasing

PRESIDENT TOKYO CORPORATION
12th Floor, No. 8 Dongxing Rd., Songshan District,
Taipei City 10570, Taiwan R.O.C.
Telephone: 886-2-2747-8188

Date Founded: November 1997
Paid-in Capital: NT$200,000 thousand
Voting Shares: 49%
Main Business Operations: Automobile leasing and general leasing

TISCO TOKYO LEASING CO., LTD.
19th Floor, TISCO Tower, 48/44 North Sathorn Road,
Silom, Bangrak, Bangkok 10500, Thailand
Telephone: 66-2-638-0900

Date Founded: April 1993
Paid-in Capital: BAHT60,000 thousand
Voting Shares: 49%
Main Business Operations: General leasing

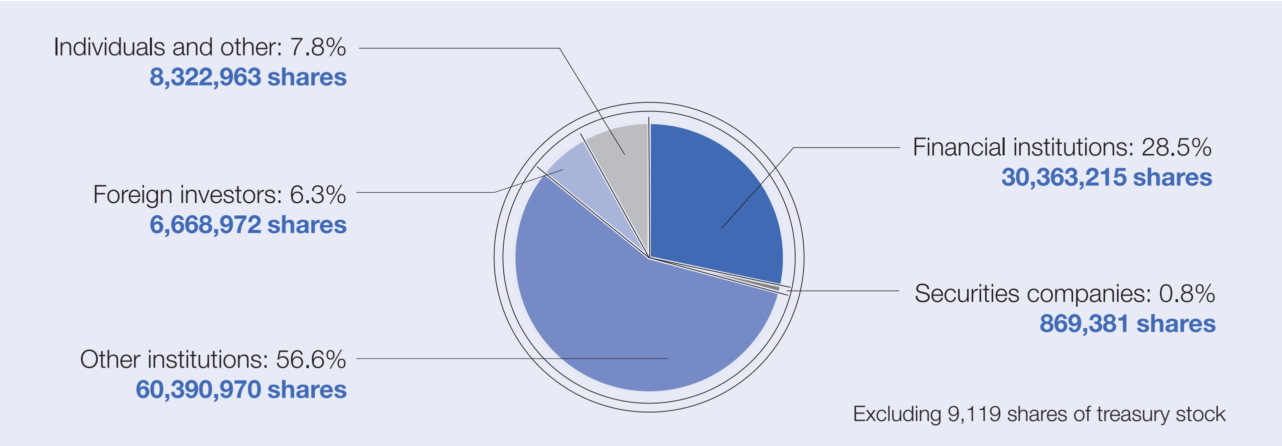
STOCK INFORMATION/BOND RATINGS

AS OF MARCH 31, 2010

Transfer Agent: Mizuho Trust & Banking Co., Ltd.
Stock Listing: Tokyo Stock Exchange, First Section
Securities Code: 8439
Trading Lot Size: 100 shares

Number of Common Stock Authorized: 400,000,000 shares
Number of Common Stock Issued: 106,624,620 shares
Number of Shareholders: 10,368

Breakdown of Shareholders



Major Shareholders

Shareholders	Number of shares held (1,000 shares)	Percentage of shares outstanding (%)*
ITOCHU Corporation	21,333	20.0
Nippon Tochi-Tatemono Co., Ltd.	13,004	12.2
KSO Co., Ltd.	9,963	9.3
Nippon Life Insurance Company	5,386	5.1
Mizuho Corporate Bank, Ltd.	4,649	4.4
The Master Trust Bank of Japan, Ltd. (Trust accounts)	3,537	3.3
Japan Trustee Services Bank, Ltd. (Trust accounts)	3,366	3.2
Nissin Tatemono Co., Ltd.	3,037	2.8
Seiwa Sogo Tatemono Co., Ltd.	2,972	2.8
Kanyu Enterprise Co., Ltd.	2,327	2.2

*Percentage of shares outstanding (%) is calculated after deducting 9,119 shares of treasury stock.

Bond Ratings (As of January 29, 2010)

Century Tokyo Leasing Corporation's ratings assigned by Japan Credit Rating Agency, Ltd. and Rating and Investment Information, Inc.

Credit Rating Agency	Japan Credit Rating Agency, Ltd. (JCR)	Rating and Investment Information, Inc. (R&I)
Long-term	(Long-Term Senior Debt) Rating: A Outlook: Stable	(Issuer Rating) Rating: A^- Outlook: Stable
	(Preliminary Rating for Bonds Registered for Issuance) Rating: A Expected Issue Amount: ¥150 billion	(Preliminary Rating for Bonds Registered for Issuance) Rating: A^- Expected Issue Amount: ¥150 billion
	(Euro Medium-Term Note Program) Rating: A Maximum Outstanding Amount: Equivalent of US$1 billion	(Euro Medium-Term Note Program) Rating: A^- Maximum Outstanding Amount: Equivalent of US$1 billion
Short-term	(Commercial Paper) Rating: J-1 Maximum Outstanding Amount: ¥650 billion	(Commercial Paper) Rating: a-1 Maximum Outstanding Amount: ¥650 billion

CORPORATE INFORMATION

AS OF MARCH 31, 2010

Company Name
Century Tokyo Leasing Corporation

Head Office
[Hamamatsu-cho]
World Trade Center Bldg.,
2-4-1 Hamamatsu-cho, Minato-ku, Tokyo 105-6110, Japan
Telephone: 81-3-3435-4411

[Akihabara]
FUJISOFT Bldg.,
3 Kanda-neribeicho, Chiyoda-ku, Tokyo 101-0022, Japan
Telephone: 81-3-5209-7055

Founded
July 1, 1969

Paid-in Capital
¥34,231 million

Company Representative
President & CEO Shunichi Asada

Number of Employees
1,732 (1,199 on a non-consolidated basis)

Closing of Accounts
March 31

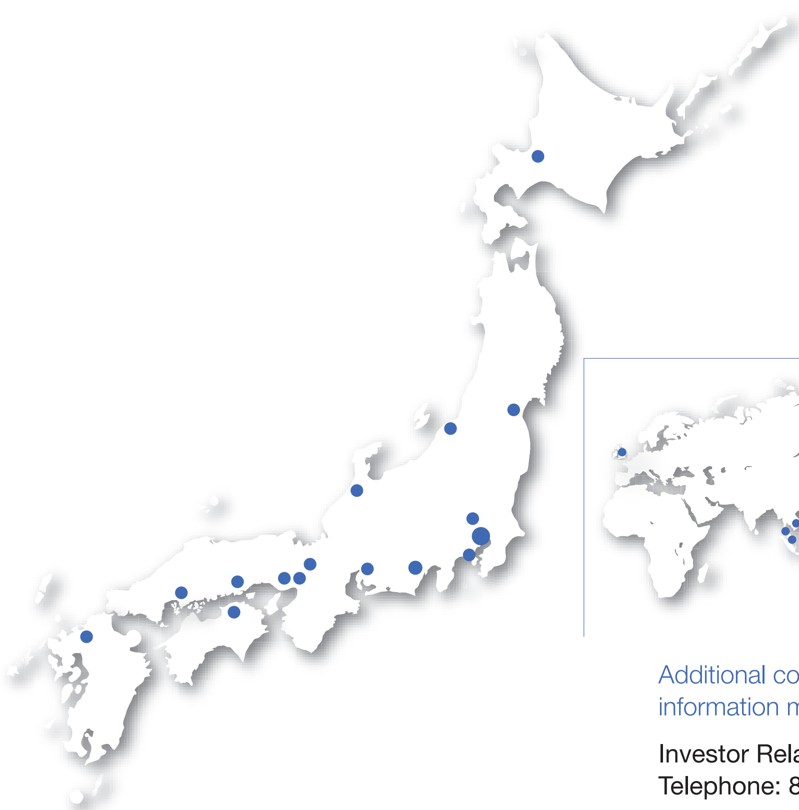
Major Banks
Mizuho Corporate Bank, Ltd.; Nippon Life Insurance Company; The Sumitomo Trust & Banking Co., Ltd.; Mitsubishi UFJ Trust and Banking Corporation; The Norinchukin Bank; Asahi Mutual Life Insurance Company

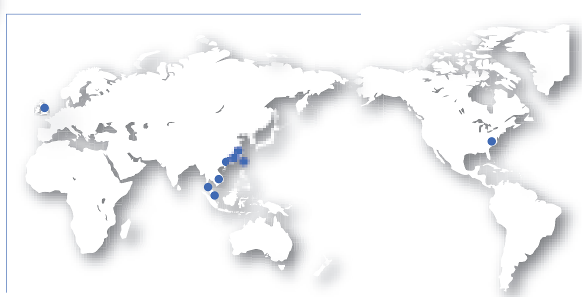
Independent Auditor
Ernst & Young ShinNihon LLC

Network

Domestic
Tokyo Metropolitan Area (Hamamatsu-cho, Akihabara, Gotanda, Shinjuku, Tachikawa), Sapporo, Sendai, Niigata, Tsukuba, Saitama, Yokohama, Shizuoka, Nagoya, Kanazawa, Kyoto, Osaka, Kobe, Okayama, Hiroshima, Takamatsu, Fukuoka

Overseas
Shanghai, Guangzhou, Hong Kong, Taipei, Bangkok, Kuala Lumpur, Singapore, New York, London





Additional copies of this annual report and other information may be obtained by contacting

Investor Relations Office
Telephone: 81-3-5209-6710

Century Tokyo Leasing Corporation

World Trade Center Building,
4-1 Hamamatsu-cho 2-chome
Minato-ku, Tokyo 105-6110, Japan
www.ctl.co.jp

Printed in Japan