Century Tokyo Leasing Corporation

Annual Report 2011

Create New Business with LEASING

Profile

It has been approximately 50 years since the leasing business was introduced to the Japanese market as a new financing system. Over the years, Century Tokyo Leasing Corporation (“TC-Lease”) and its predecessors have offered capital investment options. Today, to best respond to increasingly diversified customer needs amid changing times, we leverage advantages we have gained through the cultivation of a wide variety of business partners, including a trading company, a financial institution and a real-estate firm, and offer high-value-added and functional services based on sophisticated scheme. In addition, in our overseas operations we are meeting diversifying financing needs as well as demand for leasing associated with our customers’ local business development.

Create New Business with Leasing

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

Contents

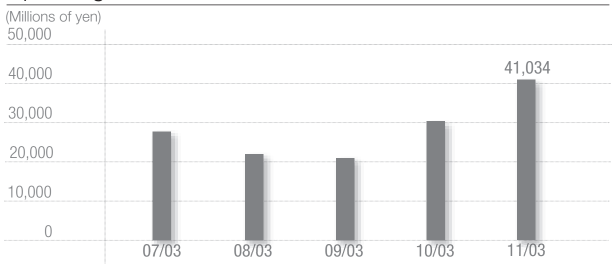
FINANCIAL HIGHLIGHTS

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31

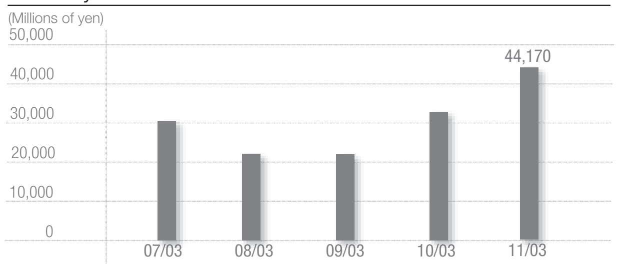
	Millions of yen		Thousands of U. S. dollars
	2010	**2011**	**2011**
Operating Results			
Revenues	¥ 758,674	**¥ 713,182**	**$ 8,577,065**
Operating income	30,295	**41,034**	**493,499**
Ordinary income (Income before extraordinary items and income taxes)	33,414	**44,170**	**531,211**
Net income	25,542	**23,646**	**284,387**
Financial Condition			
Total assets	¥2,132,892	**¥2,184,599**	**$26,272,998**
Operating assets	1,937,955	**2,023,723**	**24,338,215**
Interest-bearing debt	1,749,776	**1,741,897**	**20,948,855**
Net assets	158,116	**178,752**	**2,149,755**
Per Share Data	Yen		U. S. dollars
Net income	¥ 239.57	**¥ 221.80**	**$ 2.67**
Net assets	1,410.61	**1,594.57**	**19.18**
Dividends	32.00	**40.00**	**0.48**
Significant Indicators	%		
Return on equity (ROE)	18.5	**14.8**	
Return on assets (ROA)	1.5	**2.0**	
Equity ratio	7.1	**7.8**	

Note
Translated at ¥83.15 = US$1.00, the approximate rate of exchange on March 31, 2011.

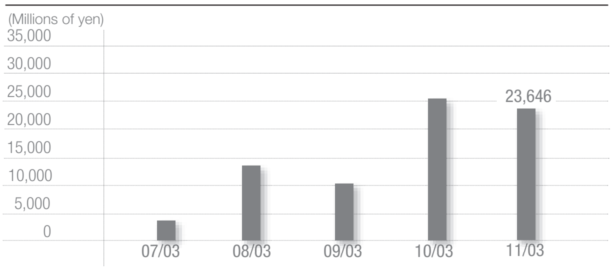
Operating Income



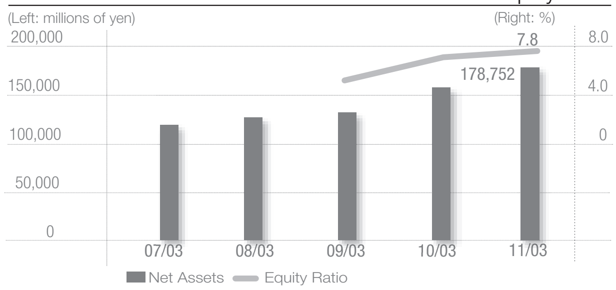
Ordinary Income



Net Income



Net Assets Equity Ratio



Graph figures for the years ended March 31, 2007 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Forward-Looking Statements

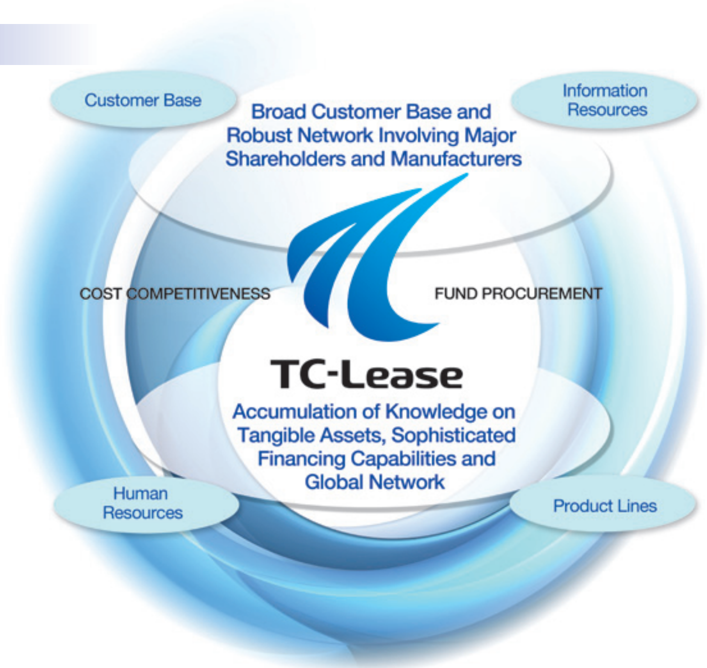
Statements in this annual report with respect to Century Tokyo Leasing Group's plans, forecasts, strategies, presumptions, and other statements that are not historical facts are forward-looking statements, and are based on management's assumptions and beliefs grounded on information that was available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

TO OUR STAKEHOLDERS

Completing the Merger and Moving to the Next Stage of Growth

First of all, we would like to express our heartfelt sympathy and deepest condolences to those who suffered from the Great East Japan Earthquake, and wish for their earliest possible recovery.

Century Tokyo Leasing Corporation is a comprehensive leasing company. It is a unique entity in Japan involved in a wide variety of business areas with operations underpinned by a strong lineup of major shareholders—including the Mizuho Financial Group and Nippon Life Insurance Company, which boast financing functions and strong customer foundations, as well as ITOCHU Corporation, which boasts strong information resources, business and product development capabilities. In the fiscal year ended March 31, 2011 (fiscal 2010), the second year since the merger, the Century Tokyo Leasing Group commenced a three-year medium-term management plan based on its “evolution scenario for maximizing merger synergies and moving to the next stage of growth,” to this end reinforcing management and its sales base.



In May 2010, amid the first year of this management plan, we were able to complete IT system integration in record time—faster than any other company in the industry—as part of our efforts to reinforce our management base and, by October 2010, had reorganized our sales divisions and developed a new personnel system. As we completed all the processes involved in the merger and created a new business structure, we were able to leverage the Group's strengths of "accumulated knowledge regarding tangible assets," "advanced financing functions" and "global network" to establish a unique type of "solution-oriented business" within our business operations, reinforcing the sales base.

These efforts helped the leasing and installment sales business enhance its market share amid increasingly severe industry competition. In addition, we expanded the financing business through the reinforcement of solution-oriented financing. Overseas, we established new offices in Beijing and Jakarta, thereby augmenting our business network in Asia and gaining a foothold for the next stage of growth.

In the midst of sluggish capital investment conditions in Japan, the leasing industry is entering a time of innovation and change. Underpinned by a broad customer base, a strong lineup of major shareholders and a network that includes major manufacturers, the Century Tokyo Leasing Group will prevail in this time of innovation as a comprehensive solution-oriented finance service company by drawing on its stable earnings capability in the leasing and installment sales business and aggressively pursuing the expansion of its financing and overseas businesses. By doing so, we will move to the next stage of growth.

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

Chairman & Co-CEO **Toshihito Tamba**

President & CEO **Shunichi Asada**

A MESSAGE FROM THE CEO

We aim to achieve further growth

as a comprehensive solution-oriented finance service company

Record-High Profits amid Severe Environment

According to the Japan Leasing Association, capital investment financed through leasing declined 6.6% compared with the previous fiscal year. Amid this harsh environment, the Century Tokyo Leasing Group saw a 43.2% year-on-year surge in the value of new contracts executed in fiscal 2010 to ¥893.9 billion. The balance of operating assets, including business guarantees, rose 4.5% year on year to ¥2,049.8 billion owing to a robust increase in the value of new contracts executed as well as the inclusion of IHI Finance Support Corporation (IFS) in our scope of consolidation.

In terms of consolidated results, total revenues declined 6.0% year on year to ¥713.2 billion, reflecting a decrease in operating assets in the leasing and installment sales business. However, operating income surged 35.4% to ¥41 billion and ordinary income reached a record-high ¥44.2 billion, expanding 32.2% due to growth in the financing business as well as lower funding costs and a decline in the allowance for doubtful accounts. Net income, however, was down 7.4% year on year to ¥23.6 billion due in large part to the absence of increased profit in line with the termination of litigation posted in the previous fiscal year. If the effect of higher income attributable to litigation that was posted in the previous accounting period is excluded, net income increased 29%.

Improvements in Shareholders' Equity Ratio

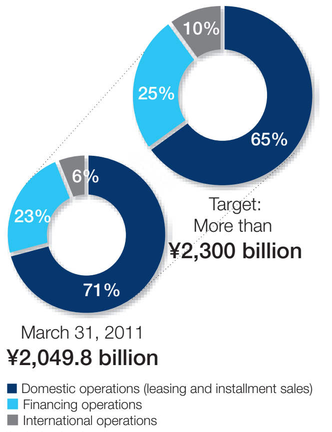
Net assets rose 13.1% year on year to ¥178.8 billion. As a result, the shareholders' equity ratio grew 0.7 of a percentage point compared with the previous fiscal year-end to 7.8%. ROA edged up 0.5 of a percentage point to 2.0%, while ROE retreated 3.7 percentage points to 14.8%.

As mentioned, the Century Tokyo Leasing Group marked record-high ordinary income while showing a positive turnaround in the balance of operating assets.

A MESSAGE FROM THE CEO

Q. Please tell us about the Group's future portfolio strategy.

Operating Asset* Growth Trend



*Includes business guarantees

In fiscal 2010, the leasing and installment sales business accounted for 71% of our consolidated operating assets. Despite the shrinking domestic leasing market, leasing and installment sales still constitutes a highly profitable business; therefore, it remains our main business.

In the future, we aim to increase the proportion of consolidated operating assets held by the financing and overseas businesses in order to achieve a structural ratio wherein the leasing and installment sales business, financing business and overseas business comprise 65%, 25% and 10%, respectively. Rather than reducing the ratio of operating assets held by the leasing and installment sales business by restraining operations, we intend to attain these ratios by expanding the scale of the financing business and overseas business while maintaining operating assets held by the leasing and installment sales business at above certain absolute amounts. In this manner, we aim also to increase operating assets.

Q. What is the strategy for the leasing and installment sales business given the severe environment?

The leasing and installment sales business is in an excellent position for generating profit whether economic conditions turn to growth or stagnancy. Where markets are burgeoning as they are in Asia today, demand for finance and leasing is being created, and revenue and profit are there to be made. However, where the economy is sluggish, as it is now in Japan, lower interest rates give us lower funding costs, and in that way we gain profit. Compared with general financing concerns, leasing companies tend to have the advantage of a higher debt collection rate because they own assets.

In our mainstay leasing and installment sales business, we are striving to reinforce our operating capabilities with "solution-oriented business" based on close communications with customers. For example, we offer not only simple leasing and installment contracts, but also unique, value-added proposals—such as leased property management systems and the option to defer payment for exports through our trade financing business —that differentiate us from our competitors. And, although we anticipate ongoing severe conditions in the domestic business environment, we continue to strive to maintain an appropriate volume of operating assets in the leasing and installment sales business while keeping an eye on the possibility of increasing M&A.

Q. Which business areas do you think hold particular potential for growth?

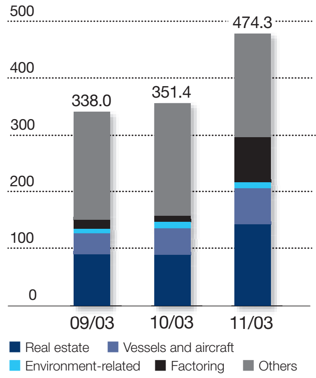
Leasing is usually considered to be part of the financing business category. Right now, the leasing industry is undergoing drastic change. At the same time, we are looking at the current period as one in which we will grow as a comprehensive financing service company. To this end, we are focusing on enhancing our expertise in financing services for customers in specific business areas and pursuing overseas operations, with a particular emphasis on China and other Asian countries as areas for potential growth. By cultivating synergies created between the growth area of financing and overseas businesses and our core leasing and installment sales businesses, we aim to leap forward as comprehensive financial services company.

Q. Which business area is leading the growth of the financing business?

Leasing companies, which can provide financing service in a more flexible manner, enjoy some advantages in certain areas. During fiscal 2010, specialty financing, such as for real estate and vessels and aircraft, grew significantly. The liquidation of medical and nursing care fee receivables is also a growing area.

The environment and energy field is also a promising business area, so we are devoting time and consideration to developing business in this field. With an eye to our social mission, our primary focus in the energy field is wind power generation. In addition, in partnership with a major heavy electric machinery maker and other companies with whom the Group maintains close ties, we intend to pursue businesses that promote such environment-friendly energy sources as geothermal and solar power.

Balance of Operating Assets* in the Financing Business
(Billions of yen)



*Includes business guarantees

Note: The figure for the year ended March 31, 2009 is the simple sum of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Q. Now that IFS has been included in the scope of consolidation, how do you think that your relationship with its former parent company, IHI Corporation, will evolve?

This stock acquisition allowed us to forge a closer relationship with IHI Corporation, a major comprehensive heavy machinery maker. In addition, the value of new contracts executed and the balance of operating assets in the financing business were substantially increased; thus, the inclusion of IFS contributed to the expansion of our business foundation. For its part, IHI is now able to focus management resources on its primary businesses. Therefore, this stock acquisition has brought favorable results to both IHI and Century Tokyo Leasing. Furthermore, we can work with IHI, leveraging our service offerings and funding capabilities to meet IHI's needs in such business areas as aerospace, marine transport and security-related technology. In the process, the two companies can expect synergies to emerge that will expand both companies.

We will continue to seek out business collaboration or M&A possibilities with those major clients with which we have closer relationships.

Q. Please tell us about the Century Tokyo Leasing Group's initiatives in expanding overseas businesses.

Aiming to further expand our networks in Asia, we established an office in Beijing in January 2011 and, in the following month, in Indonesia. Our overseas businesses are doing extremely brisk business and, accordingly, financial results at each base largely surpassed those of the previous fiscal year. Our balance of net assets in international operations, including transactions with overseas vendors, topped ¥100 billion, and we have already developed a business structure that should double this figure at an early date. Currently, we have business bases in Shanghai, Beijing, Guangzhou, Hong Kong, Taipei, Singapore, Thailand, Malaysia and Indonesia. By establishing connections between these "points" of activity, we are looking to create an "area" of business in Asia and are striving to expand operations by pursuing mutual cooperation among them just like that which exists among our domestic bases.

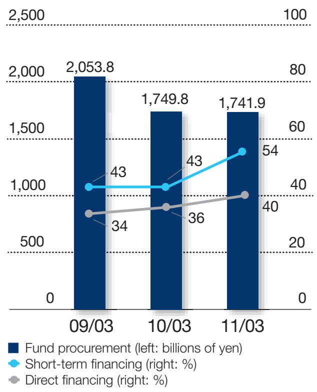
A MESSAGE FROM THE CEO

Q. How does Century Tokyo Leasing procure funds?

During fiscal 2010, interest rates remained low and stable for both short- and long-term borrowings, reflecting the Bank of Japan's aggressive promotion of monetary easing. Therefore, we strived to reduce funding costs by proactively securing short-term or direct funding, such as through the issuance of commercial paper.

In the current fiscal year, we are pursuing new fund procurement methods. For example, because of our increased need for funding in China, we procured 200 million yuan through the issue of unsecured straight corporate bonds on the Hong Kong Exchange in April 2011. Then, in May the same year, we issued straight corporate bonds in Japan for the first time after the merger. We will continue to reduce fund procurement costs by promoting the diversification of funding with an eye to ensuring soundness.

Condition of Fund Procurement



Figures for the year ended March 31, 2009 are based on the simple sum of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Q. Please tell us about how you are collaborating with ITOCHU Corporation, one of your major shareholders.

Our approach to business development is predicated on maintaining the financial flow that stems from our strong relationship with the Mizuho Financial Group as well as on maintaining a system of "commodity distribution" (in this case, the flow of equipment from installation to disposal) that has been cultivated through our business operations as a leasing company. These flows underpin our business foundation.

Given this foundation, it has become increasingly important for us as a leasing company to leverage as well the system of "commercial distribution" (the flow of business from raw material procurement to product or equipment delivery). Therefore, ITOCHU Corporation's function as a trading company will potentially serve as a great asset in our efforts to expand business areas and operations on an ongoing basis as a comprehensive finance service company. We are already promoting joint projects with ITOCHU Corporation's several divisions both in Japan and overseas. As part of such efforts, in July 2011 we jointly established TCI Finance Corporation as a subsidiary of the Century Tokyo Leasing Group to provide finance services for the ITOCHU Group. Business collaboration with ITOCHU Corporation is significantly expanding.

Q. How did Century Tokyo Leasing respond to the Great East Japan Earthquake?

Fortunately, the Group suffered no injuries to its personnel. As for the impact on our operating assets in the fiscal year under review, we posted an extraordinary loss of ¥0.4 billion that impacted the ¥20 billion balance of operating assets held in the disaster-affected area. In the fiscal year ending March 31, 2012, we will also have to post an allowance for doubtful accounts commensurate with the scale of damage.

The Century Tokyo Leasing Group contributed ¥10 million through the Japan Red Cross to support disaster victims while donating second-hand computers to municipal offices in disaster areas. In addition, we are flexibly meeting requests from disaster-affected customers for the rescheduling or reduction of contracts and are offering short-term leases under renewable contracts as well as sales of vehicles after the termination of lease contracts at reasonable prices. It is expected that demand for debris processing facilities and construction machines as well as that related to the restoration of plant facilities will increase. In response, we will make cooperative efforts with manufacturers and customers to promote the early restoration of disaster areas.

Progress of the Medium-Term Management Plan and Consolidated Performance Forecast

Reflecting the establishment of "solution-oriented business," steady progress made in the course of completing the merger and the low cost of fund procurement, ordinary income and the balance of operating assets in the fiscal year under review topped targets set under the medium-term management plan.

However, the Century Tokyo Leasing Group expects to face drastically changing conditions in the fiscal year ending March 31, 2012, reflecting the impact of the Great East Japan Earthquake, an increasing number of Japanese companies participating in overseas markets and the difficult domestic market environment.

In view of such conditions, for the fiscal year ending March 31, 2012, we anticipate a 3.3% year-on-year decrease in consolidated revenues to ¥690.0 billion. Reflecting disaster-related losses, operating income is projected to decline 9.8% year on year to ¥37.0 billion and ordinary income is predicted to fall 7.2% to ¥41.0 billion. Net income, however, is expected to grow 3.6% year on year to ¥24.5 billion due mainly to an improvement in extraordinary losses.

Century Tokyo Leasing will continue to make maximum utilization of its customer base to pursue sales activities and promote business expansion in China and other Asian countries. Together with this, we will focus on reducing the allowance for doubtful accounts as well as funding costs in order to improve our earnings capability.

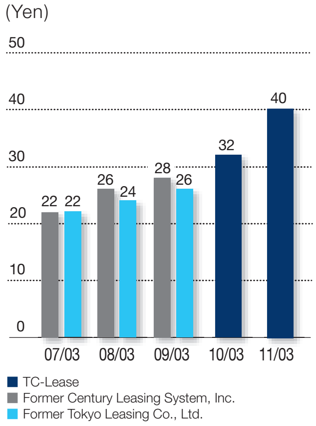
Management Targets under the Medium-Term Management Plan

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

Shareholder Returns

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 the annual dividend to ¥8 per share to ¥40 per share. Given the ongoing uncertainty in the business environment, for the fiscal year ending March 31, 2012, we announce that the annual dividend will be ¥40 per share, comprising an interim dividend of ¥20 and an end of period dividend of ¥20 per share. As a result, the dividend payout ratio is expected to shrink from the fiscal year under review's 18.0% to 17.4%. Aiming to increase dividends and raise the payout ratio, we will strive to further return profits to shareholders.

Dividends per Share



Leveraging Strengths to Achieve the Next Stage of Growth

The Century Tokyo Leasing Group is able to flexibly develop businesses that are unaffected by finance-related regulations. In addition to growing businesses related to the leasing of tangible assets and the provision of financing services, we will seek every possibility to expand the Group's business operations through joint investment in business operations. Leveraging our financing procurement capability and in close cooperation with the Mizuho Financial Group, we will carry out speedy business development that draws on the Mizuho Financial Group's customer base and ITOCHU Corporation's commercial distribution channels. By doing so, we will also promote the expansion of overseas businesses. Moving to the next stage of growth, we will make continuous efforts to create new businesses.

We hope for your continued support and encouragement.

Special Feature: Group Strategy

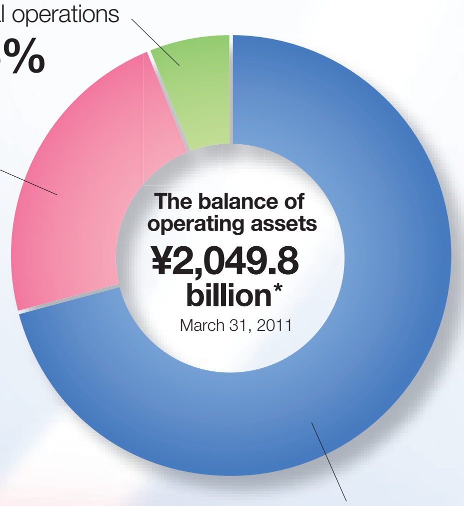
Century Tokyo Leasing Corporation's main businesses encompass the leasing and installment sales of information and communications equipment as well as a variety of machinery and equipment; the financing and overseas business; and the provision of services related to these businesses.

The Century Tokyo Leasing Group comprises various Group companies boasting special expertise, including Fujitsu Leasing Co., Ltd., which leases information and communication equipment; a number in the automobile leasing business; and IHI Finance Support Corporation, which was included in the scope of consolidation in July 2010.

A breakdown of the balance of consolidated operating assets as of March 31, 2011, reveals that domestic operations, comprising the leasing of information and communications equipment and automobile leasing, accounted for the largest ratio at 71%, followed by the financing operations at 23% and the international operations at 6%.

*Includes business guarantees

Balance of Operating Assets Breakdown



Development of Financing Services

- Real estate financing
- Financing for vessels and aircraft

Special Feature 3 Financing Business

- Factoring
- Financing for environment and energy-related businesses
- Financing for medical and welfare projects

SPECIAL FEATURE: GROUP STRATEGY

Special Feature 1

Information and Communications Equipment

Business Strategy

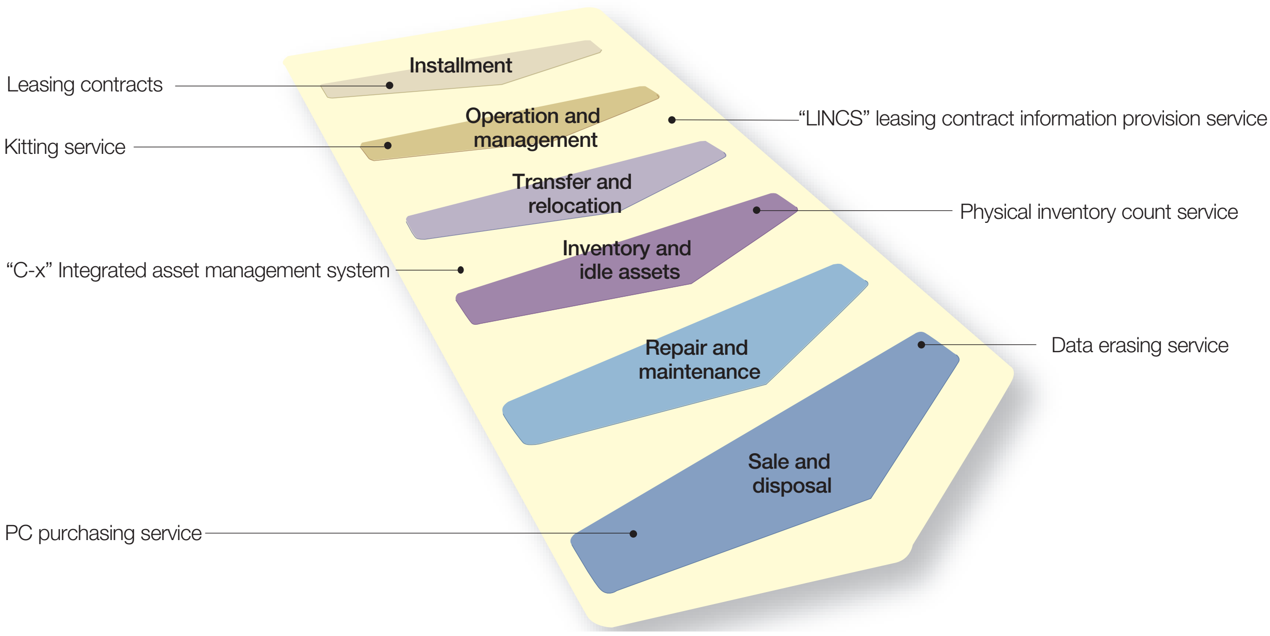
The Group's greatest strength is in the leasing of the kind of information and communications equipment—including computers and servers—that is indispensable in the office. Information and communications equipment leasing transactions accounted for 51% of the total value of new contracts executed in the fiscal year under review.

Among the Group's competitive edges is the sales base and know-how it has cultivated in this field. Building on this foundation, the Group has pursued more detailed IT services associated with tangible assets and today offers a variety of services such as IT Life Cycle Management (IT-LCM) covering the entire asset management with regard to cycle of information and communications equipment from installment to disposal. Specifically, the Group's IT-LCM services include asset management services and refurbishment businesses that recycle and resell computers after the termination of lease contracts.

Offering High-Value-Added Services

Not limited to the leasing business, Century Tokyo Leasing provides various services covering the entire asset management with regard to cycle from the installment to disposal of tangible assets. In the information and communications equipment field, for example, the Company provides kitting services encompassing the installment of necessary applications and configuration of settings in computers; contract and asset management during the period of equipment leasing; and data erasure upon the termination of contracts. Leveraging the Company's strengths in information and communications equipment, Century Tokyo Leasing offers high-value-added services, differentiating itself from competitors.

IT-LCM Services

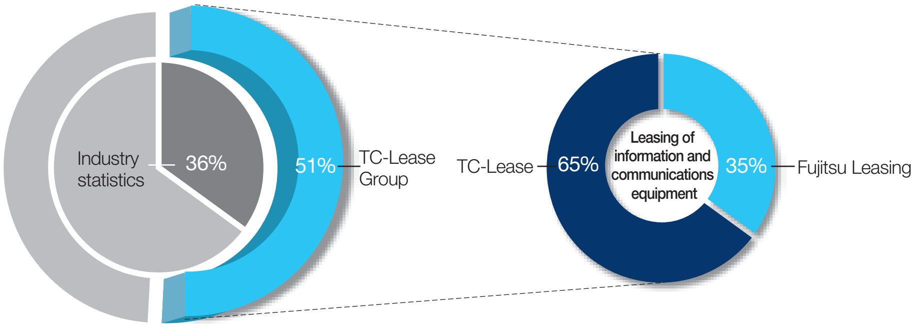


Industry's Top Results

In addition to setting up a special sales division for information and communications equipment, the Company included Fujitsu Leasing Co., Ltd., which mainly handles information and communications equipment, in the scope of consolidation, thereby securing the industry's top share of 14% in fiscal 2010 in terms of the value of new contracts executed for information and communications equipment, including office equipment.

Leasing of Information and Communications Equipment

Fiscal 2010 value of new leasing contracts executed (consolidated)



Group company:
Fujitsu Leasing Co., Ltd.
Consolidation:
July 2008
Shareholding ratio:
Century Tokyo Leasing: 80%; Fujitsu Limited: 20%
Main businesses:
Leasing of information and communications equipment

Leveraging the Fujitsu brand, which has a solid business foundation and technological capabilities in the information and telecommunications field, Fujitsu Leasing Co., Ltd. engages in leasing and installment sales, mainly in the area of information and communications equipment. With the aim of further strengthening its leasing sales base, Century Tokyo Leasing acquired additional shares of Fujitsu Leasing, including that company in the scope of consolidation in July 2008.

Business Conditions (Billions of yen)

	10/03	11/03	YoY increase/ decrease (%)
Revenues	¥123.24	¥117.15	(4.9)
Value of new lease contracts executed	80.56	102.29	27.0
Operating income	4.48	5.07	13.2
Ordinary income	4.59	5.12	11.5
Net income	2.65	2.98	12.2

President: **Isao Kato**

Message from the President of Fujitsu Leasing Co., Ltd.

Since its founding in 1978, Fujitsu Leasing Co., Ltd. has aimed to strengthen its management foundation as a leasing company by leveraging its advantages as a member of the Fujitsu Group. Looking to the future, Fujitsu Leasing anticipates that due to the accelerating development of cloud computing and the shortening of product life cycles in the information and communications technology (ICT) field in recent years, leasing will gain increasing importance as a solution for various corporate management issues.

According to statistics released by the Japan Leasing Association, the value of new contracts executed in Fujitsu Leasing's mainstay field—ICT equipment—in fiscal 2010 declined 4.7% year on year. Indeed, the market conditions the company faced were very severe. Moving proactively, we strengthened our ties with FUJITSU LIMITED and its Group companies for information sharing while working with Century Tokyo Leasing Corporation to mutually utilize business know-how in order to develop new operations. As a result, Fujitsu Leasing's value of new contracts executed grew 27.0% year on year to ¥102.3 billion in fiscal 2010, recovering to the ¥100 billion yen level for the first time in four years.

Further deepening collaborative ties with Century Tokyo Leasing Corporation as well as the Fujitsu Group, Fujitsu Leasing will continue to expand businesses.

SPECIAL FEATURE: GROUP STRATEGY

Special Feature 2

Automobile Leasing

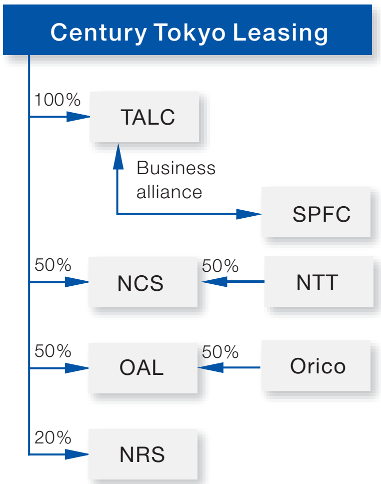
Business Strategy

The Group's automobile leasing business comprises Tokyo Auto Leasing Co., Ltd. and Nippon Car Solutions Co., Ltd., which offer services to corporate customers, and Orico Auto Leasing Co., Ltd. for individual customers. In March 2011, the Group acquired additional shares of Nippon Rent-A-Car Service, Inc., making it an equity-method affiliate. This move was aimed at meeting a wider variety of customer demands, including for a comprehensive range of rental cars—a key consideration given the potential for expansion in the automobile leasing business. Moreover, the Group offers detailed solutions, such as vehicle maintenance and safety inspection in addition to its main business of leasing various types of automobiles. The total number of vehicles under management was 401,900 in the fiscal year under review, accounting for 13.8%, or the third largest share, of the market. Collaborating with Group automobile leasing companies, Century Tokyo Leasing is aiming to expand its sales base and consolidate earnings.

Overview of Fiscal 2010

In fiscal 2010, consolidated earnings, which are a sum of ordinary income from consolidated subsidiaries and equity method income from equity-method affiliates, jumped 85.6% year on year to ¥2,709 million. This was owing to an increased gain on sales of vehicles due to the improved used car market, a reduction in funding costs, and favorable results in automobile leasing for individual customers. Together with the rise, the number of vehicles under Group companies' management grew 3.1% year on year to 401,900. Established in March 2008, Orico Auto Leasing Co., Ltd. achieved profitability on a single-year basis while steadily increasing the number of vehicles under management for lease to individual customers.

Capital Relationship with Century Tokyo Leasing Corporation



TALC: Tokyo Auto Leasing
SPFC: Sumishin Panasonic Financial Services
NCS: Nippon Car Solutions
OAL: Orico Auto Leasing
NRS: Nippon Rent-A-Car service
NTT: Nippon Telegraph and Telephone
Orico: Orient Corporation

Number is percentage of shares outstanding held by each parent company

Performance Breakdown

Consolidated earnings (Millions of yen)

	10/03	11/03	YoY increase/ decrease (%)
Tokyo Auto Leasing	¥ 820	¥1,356	65
Nippon Car Solutions *1	850	1,197	41
Orico Auto Leasing	(211)	156	—
Nippon Rent-A-Car Service *2	—	—	—
Automobile leasing business total	1,459	2,709	86

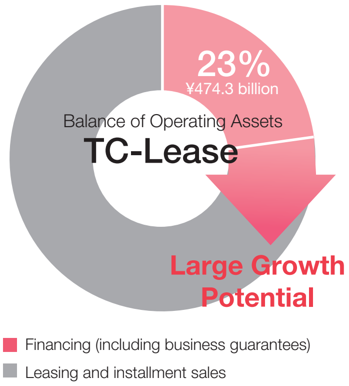
Earnings: Ordinary income of consolidated subsidiaries and equity method income from equity-method affiliate(*1)
Results of Nippon Rent-A-Car Service (*2) will be included in the scope of consolidation from fiscal year ending March 31, 2012

Vehicles under management (Thousands of units)

	10/03	11/03	YoY increase/ decrease (%)
Group total	389.7	401.9	3
No. under lease to individual customers	8.3	16.2	95

Special Feature 3

Financing Business



Business Strategy

The Financing business accounted for 23% (¥474.3 billion) of the total balance of consolidated operating assets as of March 31, 2011, up from 18% (¥351.4 billion) as of March 31, 2010. This was mainly attributable to a healthy increase in real estate financing and financing for vessels and aircraft in addition to the inclusion of IHI Finance Support Corporation (IFS) in the scope of consolidation in July 2010.

Reflecting its careful and steady efforts in business development, the Financing business has large growth potential. With a focus on tangible assets, Century Tokyo Leasing is utilizing the "solution-oriented" financing unique to its position as a leasing company as its driving force to expand business areas.

Group company:
IHI Finance Support Corporation

Consolidation:
July 2010

Shareholding ratio:
Century Tokyo Leasing: 67%;
IHI Corporation: 33%

Main businesses:
Financing and general leasing businesses

Overview of IHI Finance Support (IFS) Corporation

As one of the financing subsidiaries of the IHI Group, a major comprehensive heavy machinery maker, IFS is involved mainly in the Group's cash management service (CMS) while also handling the leasing of the Group's plant equipment and information-related equipment and conducting debt factoring for the IHI Group, which involves purchasing debt from its customers.

In July 2010, along with Century Tokyo Leasing's capital participation in IFS, the CMS business was transferred to IHI and IFS shifted its focus to leasing and debt factoring services. Leveraging Century Tokyo Leasing's extensive knowledge of financing, IFS further consolidated its customer base, which includes the IHI Group and its customers.

The value of new contracts executed that IFS brought to the Group as a Century Tokyo Leasing subsidiary following the consolidation in July 2010 stood at ¥136.4 billion, and the balance of operating assets after the consolidation grew ¥66.7 billion, contributing significantly to the Century Tokyo Leasing Group's business expansion.

President: **Haruo Sakurai**

Message from the President of IHI Finance Support Corporation

As one of the financing subsidiaries of the IHI Group, IHI Finance Support (IFS) has developed a number of leasing and factoring businesses to serve Group companies and their customers. Now, as a member of the Century Tokyo Leasing Group, IFS is able to utilize its abundant financing know-how and Century Tokyo Leasing's customer base. Buoyed by this expertise, we at IFS will strive to work with the IHI Group to promote business globalization, while providing the IHI Group with information to support its overseas projects and proactively promoting the use of deferred payment for exports. Furthermore, we will accelerate our solution-oriented leasing in support of the IHI Group's capital investment projects.

Reflecting its efforts, IFS achieved increased revenues and profit during the fiscal year under review, even after offsetting decreases in profit and assets generated from the transfer of the IHI Group's CMS business to IHI.

We will further strengthen our relationship with IHI and expand businesses, while stepping up collaboration with Century Tokyo Leasing Corporation.

SPECIAL FEATURE: GROUP STRATEGY

Special Feature 4

Overseas Business

Business Strategy

With capital investment in Japan remaining sluggish, China and other Asian countries are beginning to show a stronger presence as the "second domestic market" for many Japanese companies. Looking to the future, the Group is therefore pursuing global marketing strategies that leverage the overseas networks of its major shareholders, such as ITOCHU Corporation and the Mizuho Financial Group, as well as its own overseas network while drawing on the leasing and financing know-how accumulated through its domestic business activities in order to best respond to Japanese companies' accelerating participation in international markets.

The broadening of the customer base in Japan is leading to the expansion of business in Asia, and increased business operations in Asia are generating new transactions with domestic customers. Aiming for increased profit, the Group will strive to increase overseas businesses' operating assets.

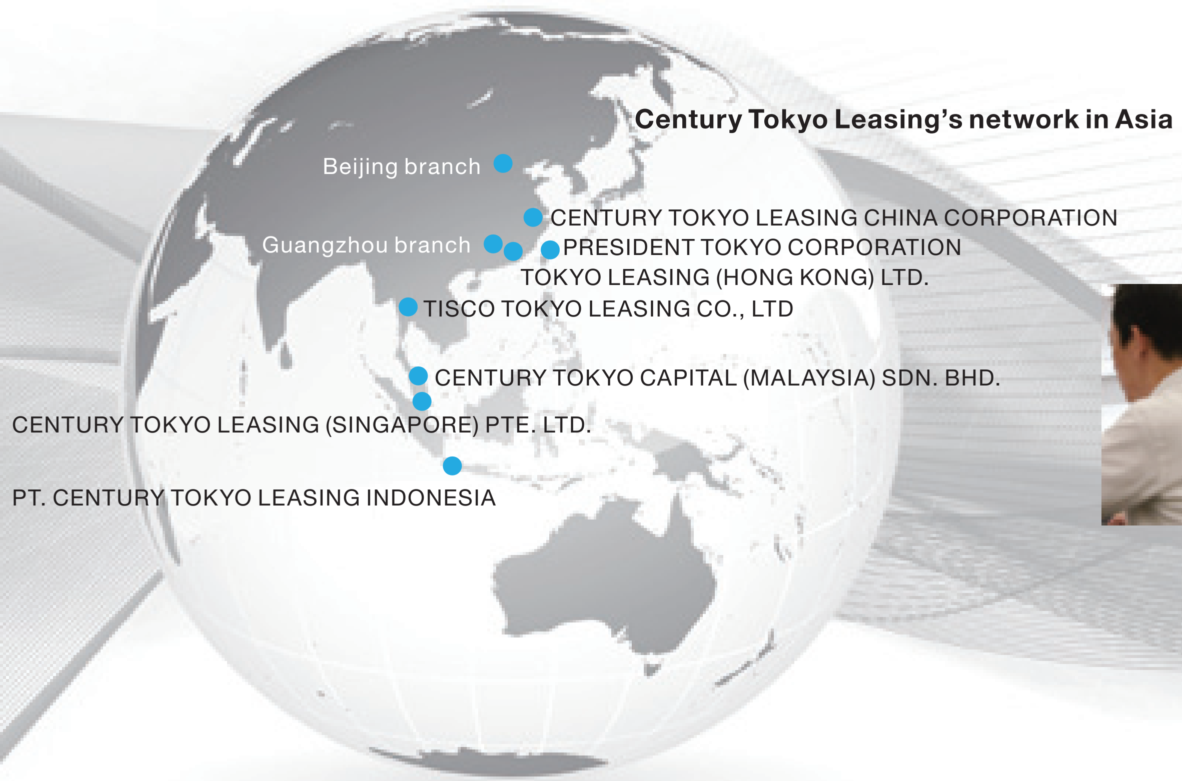
Reinforcement of Overseas Sales Bases

Responding widely to Japanese companies' financing needs and robust demand for construction machinery in China, the consolidated subsidiary Century Tokyo Leasing China Corporation opened a branch office in Beijing, China, in January 2011. This completed a network of operations that covers burgeoning northern China as well as eastern and southern China.

Furthermore, in February 2011, the Group established a new local subsidiary* in Jakarta, Indonesia, to expand its business network in Southeast Asia.

Along with the business expansion, the Group dispatches personnel to its overseas bases, while placing emphasis on human resource development in Japan in view of future business globalization.

* Shareholding ratio: Century Tokyo Leasing: 85%; PT ITC Auto Multi Finance: 15%



Business Overview and Future Outlook

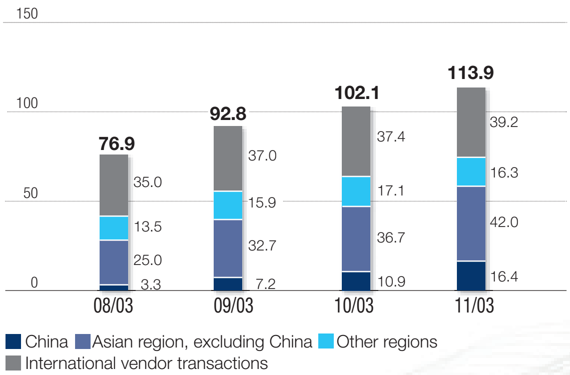
As of March 31, 2011, total assets in the overseas businesses, including international vendor transactions, were up 11.6% year on year to ¥113.9 billion. In particular, assets in China grew 50%, and those held by all local subsidiaries in Asia, including China, increased 20%.

In China, the Group's growth driver of overseas businesses, the Group engages in transactions with Japanese companies and local construction machinery vendors. The Group has also expanded its business in the medical field by acquiring a certificate for handling medical equipment and accumulating know-how for transactions with local companies. In addition to fund procurement through syndicate loans with local banks with Mizuho Corporate Bank, Ltd. as an organizer, the Group issued the previously mentioned yuan-denominated corporate bonds in Hong Kong, steadily consolidating its growth foundation through diverse fund procurement methods.

Century Tokyo Leasing positions China and other Asian countries as its key strategic area. Aiming to promptly increase the ratio of overseas businesses' net assets to 10%, or approximately ¥200 billion, of consolidated operating assets, the Group will strive to expand business areas on a global scale.

Balance of Assets at International Operations

(Billions of yen)

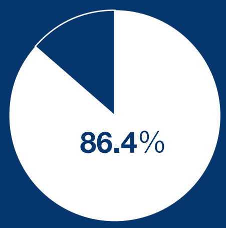


Total assets of each company, including directly managed equity-method affiliates and excluding inactive companies.

SEGMENT INFORMATION

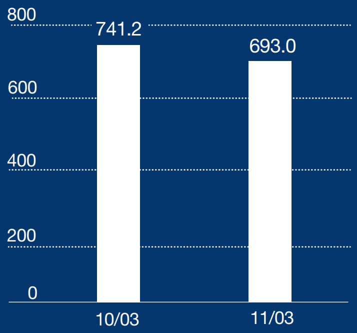
Leasing/Installment Sales Business

Breakdown of Sales Revenues by Reporting Segment
(Year ended March, 31 2011)



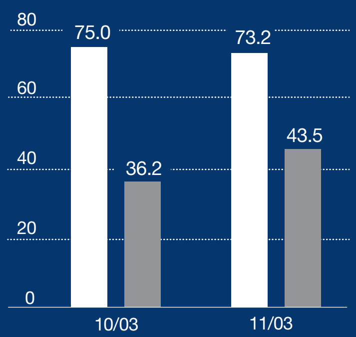
"Others" is not included in the above reporting segments

Total Sales
(Billions of yen)



Total sales do not include intersegment transactions.

■Sales Revenues ■Segment Profit
(Billions of yen)



Sales revenues = Total sales - costs (excluding cost of funds)
Segment profit = Operating income in each segment

Business Description

Leasing

In the leasing business, Century Tokyo Leasing is engaged in a variety of leasing 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 as well as other tangible assets. In addition, through its remarketing business, the leasing business sells used equipment following contract completion or mid-term contract cancellation.

Installment Sales

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. Through such transactions the Company meets the needs of those customers who wish to acquire these items.

Results

The value of new contracts executed grew 16.7% year on year to ¥559,196 million. In addition to favorable nonconsolidated results, strong sales at Fujitsu Leasing Co., Ltd. and other subsidiaries both in Japan and overseas contributed to Group performance. As a result, leasing transactions increased 11.2% year on year to ¥476,199 million, while installment sales transactions surged 62.5% to ¥82,997 million.

The balance of operating assets declined 2.2% year on year to ¥1,575,532 million. The balance of operating assets for leasing transactions decreased 1.9% to ¥1,383,696 million, and that of installment sales transactions fell 4.3% to ¥191,836 million. Having bottomed out on September 30, 2010, the balance of operating assets showed a positive turnaround, and the rate of decline scaled down.

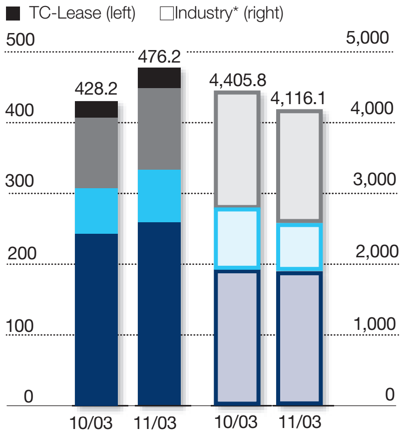
Total sales declined 6.5% from the previous fiscal year to ¥693,039 million, and segment profit grew 20.1% to ¥43,483 million.

Fundamental Strategy

In the Leasing/Installment Sales business, private-sector capital investment remained weak and the environment is anticipated to continue to be harsh. Under such circumstances, Century Tokyo Leasing will strive to increase its market share with synergies from the merger, while securing operating assets through various measures, including M&A. Having decided on the inhouse business structure after the merger, the Group offers diverse solutions that go beyond the Leasing and Installment Sales business, such as advanced IT services that encompass asset management services and various services in covering every process from the installment of equipment to the disposal of assets. By doing so, the Group is striving to improve profitability. In addition, the Group is promoting business collaboration with its major shareholder ITOCHU Corporation with the aim of developing businesses by leveraging ITOCHU's system of commercial distribution.

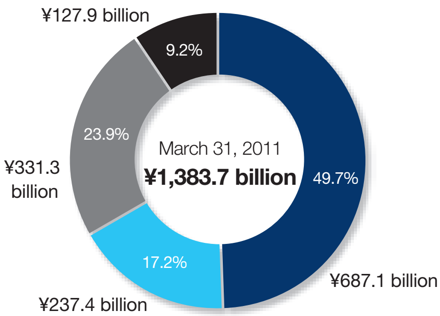
Value of New Contracts Executed by Asset Type in the Leasing Business

(Billions of yen)



■ Information and communications/office equipment
■ Industrial/machine tools and construction machinrey
■ Others ■ Operating lease
(Assets in the industry columns include operating leases)
Industry: Amount of capital investment in the leasing business according to the Japan Leasing Association statistics

The Balance of Operating Assets in the Leasing Business



■ Information and communications/office equipment
■ Industrial/machine tools and construction machinery
■ Others ■ Operating lease

Substantial Growth in Value of New Contracts Executed

Information and communications equipment leasing is the mainstay of the leasing business, and the balance of operating assets, including office equipment, accounts for 50% of all operating assets. Regardless of how economic conditions fluctuate, demand for information and communications equipment is expected to remain stable; therefore, such equipment serves as the foundation of Century Tokyo Leasing's operating assets. The consolidated value of new contracts executed in fiscal 2010 topped that of the previous fiscal year for all types of equipment, including the Company's mainstay, information and communications equipment as well as construction machinery, which reflects growth in China. According to the statistics of the Japan Leasing Association, overall growth in the industry value of new contracts executed was negative, except for office equipment. Given this, Century Tokyo Leasing recorded quite favorable results during the fiscal year under review. Continuously offering solution-oriented sales, the Group will provide high-value-added leasing services.

Remarketing Business

PCs and servers after contract completion will be refurbished and resold (the remarketing business) by the Group subsidiary TRY, INC. in order to increase the Group's opportunities to gain profit.

During the fiscal year under review, unit sales prices declined due to the increased inventory of secondhand products available in the Chinese market. However, the number of PCs handled rose 33% year on year, resulting in 10% growth in revenues in the remarketing business to ¥1.28 billion.

Sales of Refurbished Computers and Other Items

(CPU-base unit sales)

	10/03	11/03	YoY increase amount	YoY increase/ decrease ratio
Sales (Billions of yen)	¥1.16	¥1.28	¥0.12	10%
No. of PCs handled (Thousands of units)	111	148	37	33%

TOPICS

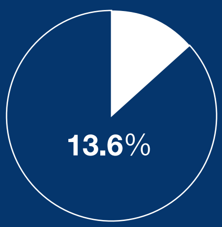
Business Collaboration with ITOCHU Corporation

Since the merger in April 2009, Century Tokyo Leasing has been promoting business collaboration with the major shareholder ITOCHU Corporation. In October 2010, Century Tokyo Leasing set up within its corporate sales division an ITOCHU sales division with the aim of further promoting collaborative business activities. As part of the business collaboration, the two companies will jointly develop the electricity and environmental business by means of introducing smart grids in addition to developing the aircraft leasing business and promoting business collaboration in China. Furthermore, with the aim of increasing finance services for the ITOCHU Group, the two companies jointly established TCI Finance Corporation in July 2011. Century Tokyo Leasing will continue to cooperate with ITOCHU Corporation as a strategic partner.

SEGMENT INFORMATION

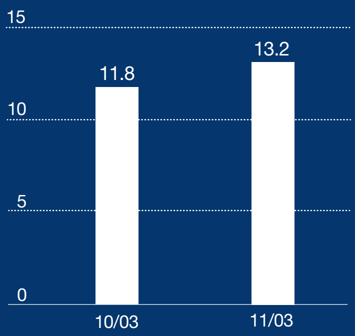
Financing Business

Breakdown of Sales Revenues by Reporting Segment
(Year ended March, 31 2011)



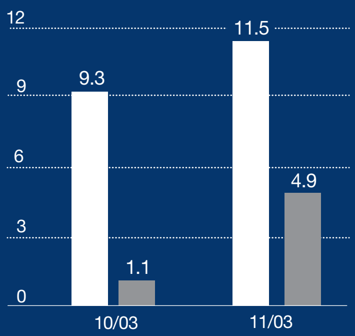
"Others" is not included in the above reporting segments

Total Sales
(Billions of yen)



Total sales do not include intersegment transactions.

■Sales Revenues ■Segment Profit
(Billions of yen)



Sales revenues = Total sales - costs (excluding cost of funds)
Segment profit = Operating income in each segment

Business Description

In the Financing business, Century Tokyo Leasing provides a unique type of solution-oriented financing for real estate, vessels and aircraft, and environmental businesses. The Company also provides financial services to meet fundprocurement needs, including corporate loans, the liquidation of receivables and medical and nursing care fee receivables.

Results

The value of new contracts executed for specialized financing primarily related to real estate, vessels and aircraft increased during the fiscal year under review. In addition, IHI Finance Support Corporation (IFS), which was included in the scope of consolidation in July 2010, contributed to segment results. Accordingly, the total value of new contracts executed soared 131.0% year on year to ¥334,694 million.

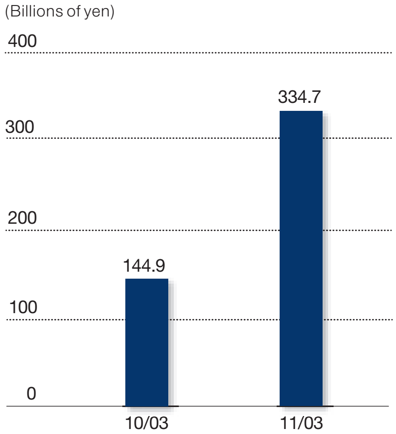
Together with this growth, the balance of operating assets, including business guarantees, surged 35.0% to ¥474,272 million.

Total sales grew 12.3% to ¥13,211 million, and segment profit skyrocketed 354.2% to ¥4,877 million.

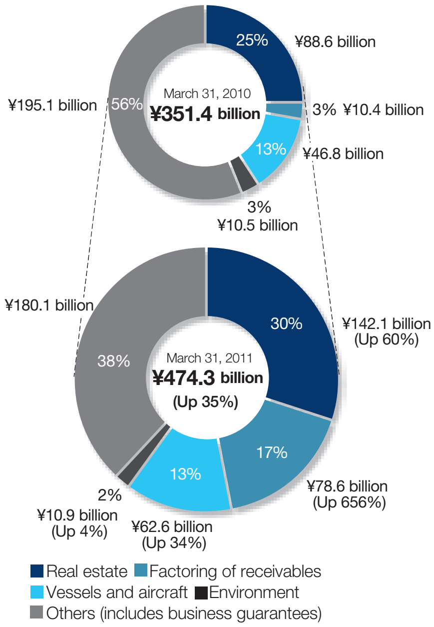
Fundamental Strategy

In addition to the existing business fields of real estate, vessels and aircraft, Century Tokyo Leasing will expand business operations in fields with growth potential, such as businesses to meet energy-saving and CO_2 emission reduction needs; financing for the renewable energy business; and financing for medical and welfare businesses. By offering solution-oriented financing focusing on tangible assets, which differs from bank finance, Century Tokyo Leasing will diversify fund procurement methods for customers and increase its operating assets.

Value of New Contracts Executed



The Balance of Operating Assets



Growth of Specialized Financing

Overview of Specialized Financing

Leveraging financing functions cultivated in the leasing business, Century Tokyo Leasing focuses on "property-oriented" financing. Certain flexible, specialized financing is offered exclusively by nonbank institutions and includes financing related to real estate, project financing for wind power generation companies—an area in which we are the industry leader—and financing for purchasing large transportation machinery, such as vessels and aircraft.

Real estate:

Real estate finance is offered mainly for office buildings in the metropolitan areas and other assets owned by major real estate agencies. During the fiscal year under review, the balance of operating assets jumped 60.3% year on year to ¥142.1 billion due primarily to the participation in large-scale projects.

Vessels and aircraft:

Century Tokyo Leasing offers operating leases for such vessels as bulk carriers, container ships and car carriers as well as for aircraft manufactured by The Boeing Company and Airbus S.A.S. The balance of operating assets as of March 31, 2011, grew 33.8% year on year to ¥62.6 billion.

Environment:

Century Tokyo Leasing is a pioneer in project finance for wind power generation companies, and thus is the industry leader in terms of number of cases handled. Natural energy resources have been attracting increasing attention in recent years. Given this, the Company will enhance financing services for geothermal and solar power projects to fulfill its social mission. As of March 31, 2011, the balance of operating assets edged up year on year to ¥10.9 billion.

TOPICS

Businesses in the Medical and Welfare Fields

During the fiscal year under review, Century Tokyo Leasing invested in CYBERDINE Inc., a venture firm developed by the University of Tsukuba that has been drawing public attention in recent years as a developer of robots that improve quality of life. We have entered into a contract with CYBERDINE to handle leasing and rental services for HAL®, a robot suit. HAL® is the world's first cyborg-type robot. When donned by the user, it enhances that person's functional mobility, enabling someone with disabilities that affect their legs or whose legs have weakened with age to realize their dream of walking on their own. HAL® can be used to aid people with a number of conditions and is thus expected to find increasing use by the physically disabled in supporting their autonomous activities, thereby reducing caretaker burdens. In addition, we expect it to find application in rescue activities at disaster sites.

HAL®, CYBERDINE's robot suit, in use

CORPORATE GOVERNANCE

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.

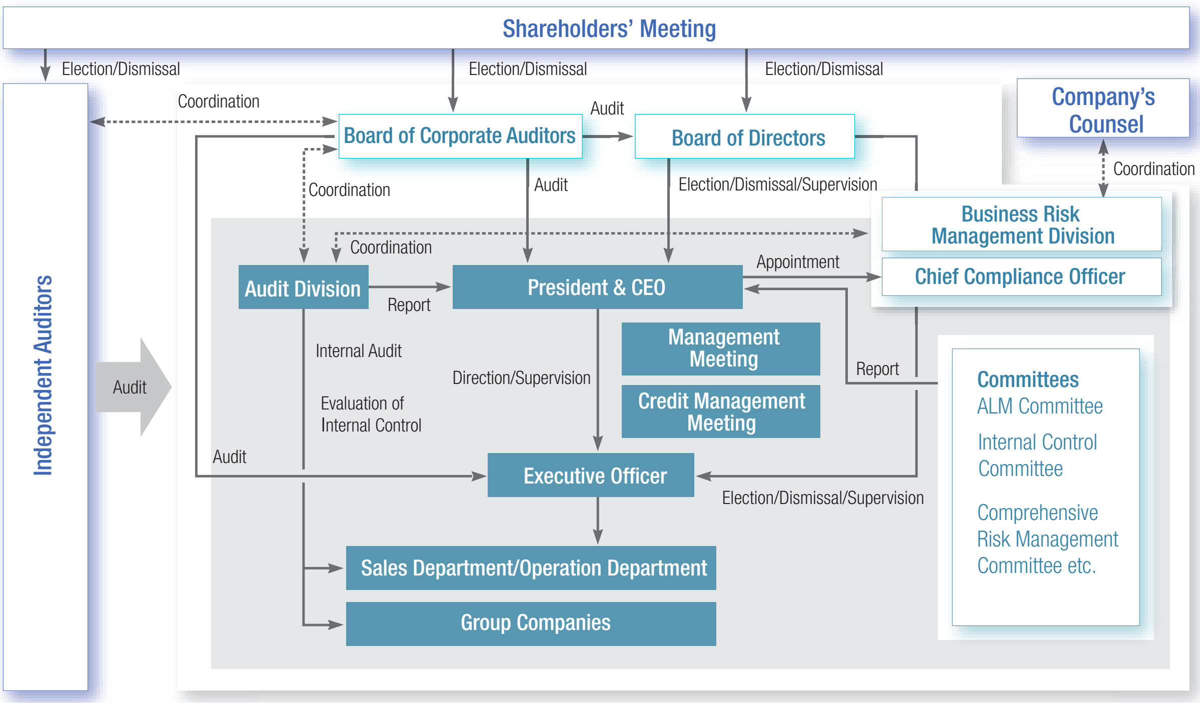
Board of Directors

The Board of Directors consists of nine Directors, one of whom is an external director as specified in Article 2-15 of Japan's Corporation Law. The Board of Directors 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 four corporate auditors (two of whom are full-time corporate auditors), three 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

System of Corporate Governance and Internal Control As of June 23, 2011



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.

Independence of Management Oversight Structure

Century Tokyo Leasing appoints one external director who supervises corporate management from an independent point of view. The external director has no special interest in Century Tokyo Leasing. Our three external corporate auditors play a role in maintaining the system that ensures the objectivity and neutrality of the management monitoring function by checking business operations from outside on a regular basis. All external corporate auditors are employed by other companies, and one has no affiliation with any of our principal partners. All are judged to have no conflict of interest with general shareholders. Therefore, they are eligible to be designated as independent officers as stipulated by the Tokyo Stock Exchange.

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 Audit Division. 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 President. 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.

To that end, we established the Comprehensive Risk Management Committee, chaired by the officer responsible for the Business Risk Management Division. This committee comprehensively examines the overall control of the Company's risks, its risk management system, and its policy and measures concerning risk management. The Business Risk Management Division works with relevant departments to identify and gauge business, legal and other operational risks as well as credit risks. Through this function, we review our countermeasures against such risks and assess risks for the entire Group. In addition, we manage system risks and information security risks by acquiring the ISO/IEC 27001 certification based on the Information Security Basic Policy.

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 Risk 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.

Information shall be disclosed to mass media in addition to disclosure via the Electronic Disclosure for Investors' NETwork (EDINET) (the system for such disclosure documents as annual securities reports in accordance with Japan's Financial Instruments and Exchange Act) as well as via TDnet, the company announcement disclosure service provided by the Tokyo Stock Exchange. We also disseminate information through the Company's website.

CSR

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 Contribution through Business Activities

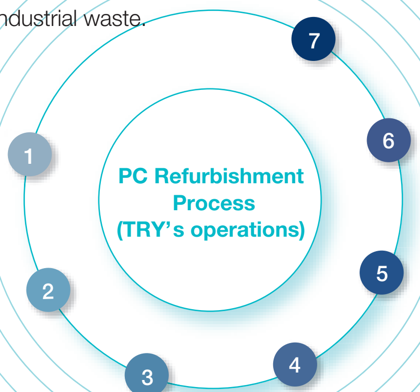
Fully aware of the significant role the leasing business plays in the formation of a recycling-oriented society, the Century Tokyo Leasing Group engages in the thorough reuse and recycling of its assets after the termination of lease contracts. In addition, based on the know-how cultivated through the provision of project finance to wind power generation companies, we accelerated the promotion of environmental businesses, including the reusable energy business, which has attracted increasing attention since the occurrence of the Great East Japan Earthquake. Furthermore, we will strive to contribute to society through our businesses, for example, through the promotion of electric vehicles and eco cars and provision of support for medical and welfare-related services.

Environmental Initiatives

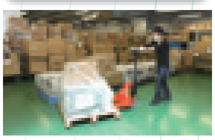
Social Contributions through Business Activities

*** Remarketing Business**

In the refurbishment business operated by 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, 2011, approximately 148,000 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.

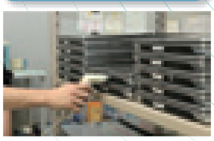


1. Arrival



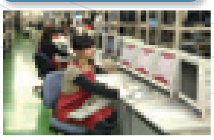
PCs are sent in by customers from across Japan after the termination of contracts.

2. Screening



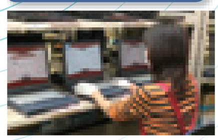
Every single PC is inspected and such information as maker and machine type are registered using a bar code.

3. Data Erasing



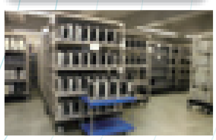
Data remaining in PCs is completely erased.

4. Inspection



Each PC is inspected to confirm that all data has been completely erased and that the unit functions properly.

5. Storage

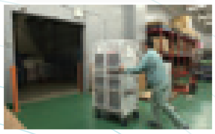


Inspected PCs are temporarily stored by type.

6. Resource Recycling

Unusable PCs are disassembled and recycled according to resource.

7. Shipping



Recycled PCs are shipped to second-hand PC dealers, nationwide.

CSR

Environmental Management System

Tackling environmental issues is one of the Group's important social responsibilities. To that end, the Group makes continually works to reduce environmental burdens in every business activity. As part of such efforts, the Group obtained ISO 14001 (International Environmental Management System) certification. Moreover, in addition to formulating an environmental manual for internal use, we 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, establishing the Information Security Committee as a deliberative organization, appointing persons responsible for information security to be in charge of the implementation of various measures 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, thereby enforcing a system that secures transparency of our corporate activities. While holding results briefings and meetings for institutional investors and analysts, we also conduct corporate briefings for individual investors to furnish them with overviews and inform them of the Group's management strategies, with the aim of raising corporate awareness and deepening understanding of the Group.

* Local Communities

As one element of our social contribution activities, Century Tokyo Leasing Group members present and donate used PCs to organizations and groups as a contribution 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 Japan Service Dog Association.

* 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

Corporate History

1964
Aug. Former Tokyo Leasing
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.)

1969
July Former Century Leasing System
Jointly established by ITOCHU Corporation, Daiichi Bank, Ltd. (currently Mizuho Financial Group, Inc.), Nippon Life Insurance Company, and Asahi Mutual Life Insurance Company

1990
Feb. Former Tokyo Leasing
Listed shares on the Second Section of the Tokyo Stock Exchange
(Listed shares on the First Section of the Tokyo Stock Exchange on September 2002)

2003
Sept. Former Century Leasing System
Listed shares on the Second Section of the Tokyo Stock Exchange
(Listed shares on the First Section of the Tokyo Stock Exchange on September 2004)

2008
Sept.
Former Tokyo Leasing and former Century Leasing System entered into a Memorandum of Understanding regarding Merger

2009
Apr.
The two companies merged to launch **Century Tokyo Leasing Corporation**

Oct.
Integrated two former companies' administrative subsidiaries to establish **TC Business Service Corporation**

2010
Apr.
Integrated two former companies' nonlife insurance agency businesses to establish **TC AGENCY Corporation**

TC BUSINESS EXPERTS Corporation was established as the Group's superintending company with the aim of securing the transparency of internal audits

Expansion of global businesses by positioning China and other Asian countries as key strategic area

1979
May, Singapore
Established Tokyo Leasing (Singapore) Pte. Ltd. (currently Century Tokyo Leasing (Singapore) Pte. Ltd.)

1985
Dec., New York/U.S.A.
Established Tokyo Leasing (U.S.A.) Inc. (currently Century Tokyo Leasing (USA) Inc.)

1997
Nov., Taiwan
Jointly established President Tokyo Corporation with Uni-President Enterprises Corp., local food distribution company

2006
July, Shanghai/China
Established TOZUI CORPORATION
Jan. 2010, established Century Tokyo Leasing China Corporation through merger

Oct., Shanghai/China
Established Century Leasing (China) Co., Ltd.

2007
June, Kuala Lumpur/Malaysia
Established TLC Capital (Malaysia) Sdn. Bhd. (currently Century Tokyo Capital (Malaysia) Sdn. Bhd.)

2008
July, Bangkok/Thailand
Turned Mizuho Corporate Leasing (Thailand) Co., Ltd. into a corporate affiliate based on the equity method (currently TISCO Tokyo Leasing Co., Ltd.)

2009
Mar., Guangzhou/China
Established the Guangzhou Branch of Century Tokyo Leasing China Corporation

2011
Jan., Beijing/China
Established the Beijing Branch of Century Tokyo Leasing China Corporation

Feb., Jakarta/Indonesia
Established PT. CENTURY TOKYO LEASING INDONESIA

Reinforcement of the automobile leasing business

1979
Mar.
Established Tokyo Auto Leasing Co., Ltd.

1985
Apr.
Established Century Auto Leasing Co., Ltd. (currently Nippon Car Solutions, Co., Ltd.)

2000
Mar. Asahi Auto Lease Co., Ltd.
Acquired all the shares of Asahi Auto Lease and absorbed it into Century Auto Leasing Co., Ltd. in October 2000

2004
May Sankyo Trading Co., Ltd.
TOKYO AUTO LEASING CO., LTD. acquired all the shares of Sankyo Trading and absorbed it in July 2004

2005
Oct. Nippon Car Solutions Co., Ltd.
Established Nippon Car Solutions through an equal merger between Century Auto Leasing Co., Ltd. and NTT Auto Leasing Co., Ltd.

2008
Mar. Orico Auto Leasing Co., Ltd.
Jointly established Orico Auto Leasing with Orient Corporation and participated in automobile leasing market for small-sized enterprises and individuals

Sept. Showa Auto Rental & Leasing Co., Ltd.
Nippon Car Solutions Co., Ltd. acquired all shares of Showa Auto Rental & Leasing and absorbed it in April 2010

2009
July Sumishin Matsushita Financial Services Co., Ltd. (currently Sumishin Panasonic Financial Services Co., Ltd.)
TOKYO AUTO LEASING CO., LTD. acquired Sumishin Matsushita Financial Services' automobile leasing service and entered into the business alliance

2011
Mar. Nippon Rent-A-Car Service, Inc.
Acquired additional shares of Nippon Rent-A-Car Service making it a corporate affiliate based on the equity method.

Strategic expansion of business areas

2002
Mar. Kawasaki Enterprises, Inc.
Acquired all shares of Kawasaki Enterprises and absorbed it in October 2002

2003
Sept. Fujitsu Leasing Co., Ltd.,
Acquired 20% of Fujitsu Leasing's shares and made an additional share purchase in July 2008 to include the company into the scope of consolidation

2005
Aug. Kyodo Tsushin Lease Co., Ltd.
Purchased Kyodo Tsushin Lease's operating receivables in its leasing business

2008
Jan. Shiseido Lease Co., Ltd.
(currently S.D.L. Co., Ltd.)
Turned Shiseido Lease into a consolidated subsidiary by acquiring 90% of its shares

2010
July IHI Finance Support Corporation
Turned IHI Finance Support into a consolidated subsidiary by acquiring 66.5% of its shares

2011
July TCI Finance Corporation
Established TCI Finance with shareholding ratios of 60% (Century Tokyo Leasing) and 40% (ITOCHU Corporation)

MANAGEMENT

As of June 23, 2011

BOARD OF DIRECTORS

Chairman & Co-CEO,
Representative Director
Toshihito Tamba

President & CEO,
Representative Director
Shunichi Asada

Deputy President,
Director and Executive Officers
Makoto Nogami
Koichi Nakajima

Director and Managing
Executive Officers
Masao Mizuno
Masuo Suzuki
Masataka Yukiya

Directors
Hideo Kondou
Yoshinori Shimizu*
*External

CORPORATE AUDITORS

Standing Corporate Auditors
Yukio Sekiguchi
Mikio Nishimura*

Corporate Auditors
Syunsuke Wada*
Osamu Saito*
*External

EXECUTIVE OFFICERS

Senior Managing
Executive Officer
Michio Ito

Managing Executive Officers
Yuichiro Ikeda
Takeshi Honda
Takashi Muramatsu
Kazuo Tanaka
Mitsutaka Ohshima
Shuichi Sato
Atsuhiko Iwatake
Noboru Akatsuka

Executive Officers
Eiji Hara
Koichiro Izutsu
Hidenori Fujimori
Masahiko Shishido
Yasuo Mori
Kenji Murai
Akira Sugimoto
Yukio Tanaka
Hiroshi Yoshida
Yoshio Nomura
Osamu Shibaya
Osamu Miyata
Ryoji Kawaguchi
Yuzuru Asaba
Takashi Kamite
Yoichiro Nakai

FINANCIAL SECTION

FIVE-YEAR SUMMARY

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31

	Millions of yen				
	2007	2008	2009	2010	**2011**
Operating Results					
Revenues	¥ 753,972	¥ 742,454	¥ 742,948	¥ 758,674	**¥ 713,182**
Leasing	611,421	595,551	613,801	635,808	**598,925**
Installment sales	126,111	128,793	109,755	105,413	**94,114**
Loans	5,450	7,048	7,435	—	**—**
Finance	—	—	—	11,764	**13,211**
Other businesses	10,990	11,062	11,957	5,689	**6,932**
Costs	698,681	690,734	683,683	693,569	**641,589**
Leasing	556,403	542,831	548,323	567,884	**531,387**
Installment sales	118,039	119,300	102,195	98,378	**88,443**
Loans	31	23	28	—	**—**
Finance	—	—	—	2,476	**1,688**
Other businesses	7,685	7,394	9,097	4,830	**5,585**
Funding costs	16,522	21,185	24,039	20,001	**14,487**
Gross profit on revenues	55,292	51,720	59,265	65,105	**71,593**
Sales revenues (Gross profit on revenues before deducting cost of funds)	71,814	72,906	83,304	85,106	**86,081**
SG&A expenses	27,204	30,223	38,368	34,810	**30,559**
Personnel and non-personnel expenses	26,264	26,406	27,654	29,153	**29,421**
Allowance for doubtful accounts	940	3,817	10,714	5,657	**1,139**
Operating income	28,088	21,497	20,897	30,295	**41,034**
Ordinary income (Income before extraordinary items and income taxes)	30,133	22,359	22,275	33,414	**44,170**
Extraordinary gains (losses)	(13,742)	(994)	(5,232)	(250)	**(3,465)**
Net income	3,784	13,250	10,029	25,542	**23,646**
Financial Condition					
Total assets	¥2,131,277	¥2,090,407	¥2,423,800	¥2,132,892	**¥2,184,599**
Operating assets	1,885,710	1,881,581	2,100,016	1,937,955	**2,023,723**
Leasing	1,379,198	1,336,707	1,536,504	1,410,109	**1,383,696**
Installment sales (after deducting deferred profit on installment sales)	264,224	267,860	243,708	200,539	**191,836**
Loans	216,327	237,206	261,629	—	**—**
Finance				327,307	**448,190**
Other businesses	25,961	39,808	58,175	—	**—**
Interest-bearing debt	1,834,450	1,792,410	2,053,766	1,749,776	**1,741,897**
Net assets	120,163	127,400	133,222	158,116	**178,752**
Cash Flows					
Net cash provided by operating activities	—	—	—	¥ 194,308	**¥ 48,552**
Net cash used in investing activities	—	—	—	(8,949)	**23,192**
Net cash used in financing activities	—	—	—	(306,146)	**(89,762)**
Cash and cash equivalents at end of year	—	—	—	50,947	**32,794**

	Yen				
	2007	2008	2009	2010	2011
Per Share Data					
Net income (loss)	¥ —	¥ —	¥ 94.05	¥ 239.57	**¥ 221.80**
Former CLS	145.53	125.31	114.29	—	**—**
Former TLC	(59.29)	104.77	63.50	—	**—**
Net assets	—	—	1,174.11	1,410.61	**1,594.57**
Former CLS	1,051.53	1,102.48	1,162.07	—	**—**
Former TLC	1,011.35	1,081.69	1,007.79	—	**—**
Dividends	—	—	—	32.00	**40.00**
Former CLS	22.00	26.00	28.00	—	**—**
Former TLC	22.00	24.00	26.00	—	**—**
Significant Indicators					
Return on equity (ROE)	—	—	8.0%	18.5%	**14.8%**
Former CLS	14.4%	11.6%	10.1%	—	**—**
Former TLC	(5.5)%	10.0%	6.1%	—	**—**
Return on assets (ROA)	—	—	1.0%	1.5%	**2.0%**
Former CLS	1.5%	1.3%	1.2%	—	**—**
Former TLC	1.5%	0.9%	0.9%	—	**—**
Equity ratio	—	—	5.2%	7.1%	**7.8%**
Former CLS	6.9%	7.2%	7.2%	—	**—**
Former TLC	4.8%	5.4%	4.1%	—	**—**
Overhead ratio	—	—	46.7%	44.8%	**41.1%**
Former CLS	47.0%	46.1%	41.7%	—	**—**
Former TLC	47.8%	54.1%	49.4%	—	**—**
Other Data					
Employee (persons)	—	—	1,701	1,732	**1,715**
Former CLS	470	486	490	—	**—**
Former TLC	1,044	1,090	1,211	—	**—**

Notes: 1. Figures for the years ended March 31, 2007 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.
3. In the fiscal year ended March 31, 2011, Century Tokyo Leasing reorganized the loan business and other business categories to create the finance business. To reflect this change, fiscal 2009 revenues, the cost of loans and other items as well as operating assets held by the loan and other businesses have been retroactively revised.
4. 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.
5. 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31

Business Environment and the Group's Approaches

During the fiscal year under review, the Japanese economy saw a partial turnaround in corporate revenues and capital investment mainly due to an increase in exports against a background of economic recovery overseas and the effects of the government's fiscal policy. However, the domestic employment and income environments remained severe. Partly due to the Great East Japan Earthquake, in addition to the protracted appreciation of the yen, a sharp rise in resource prices, concern about the Middle East situation and other factors, future economic conditions continue to be uncertain.

Under these circumstances, the TC-Lease Group has launched a new three-year medium-term management plan designed as an "evolution scenario for maximizing merger synergies and moving to the next stage of growth." Based on this plan, we are working to strengthen our sales and management bases.

Strengthening our sales base, we promoted the "improvement of expertise and streamlining of our sales organization," "business expansion in China and other Asian countries" and "approaches toward business areas with a potential for growth (with a special focus on the environmental business in the fiscal year under review)."

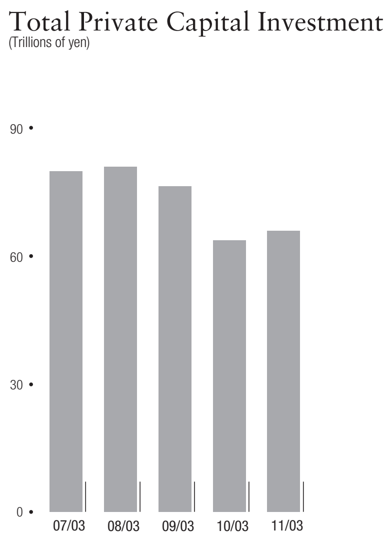
Specifically, in our sales divisions we implemented organizational reforms aimed at further strengthening our ability to provide solution-oriented business responses that meet the increasingly diversified financial needs of customers. Together with this, we established a structure intended to enhance our expertise in the information equipment and financial fields.

In the China and Asia regions, in order to better meet the wide range of financial needs of Japanese companies operating overseas, we established the Beijing Branch of the consolidated subsidiary Century Tokyo Leasing China Corporation, as well as a leasing company in Jakarta, Indonesia, that we set up as a joint venture with ITOCHU Corporation.

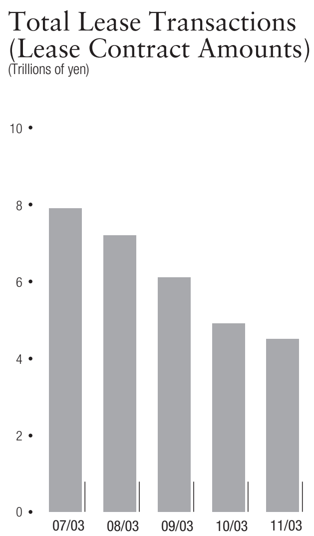
Furthermore, we engaged in various environmental business activities, for example, participating in the "Eco-Action Point" project, a model project of the Ministry of the Environment. In addition, S.D.L. Co., Ltd., a consolidated subsidiary of TC-Lease, leased electric vehicles (EVs) to the Shiseido Group and the equity-method affiliate Nippon Car Solutions Co., Ltd. and helped the NTT Group conduct the verification testing of EV car pooling.

Also, to strengthen our management base, we acquired shares of IHI Finance Support Corporation, bringing it into our scope of consolidation, and purchased additional shares of Nippon Rent-A-Car Service, Inc., including it as an equity-method affiliate. These moves enhanced the TC-Lease Group's operating earnings power while improving management efficiency thanks to the integration of basic IT systems in order to unify and streamline operational systems.

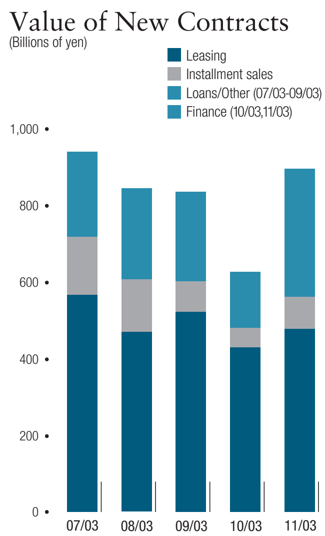
Steadily promoting policies under its medium-term management plan, TC-Lease will aim for further growth as an industry leader.



Source: Private capital investment is based on a survey by the Cabinet Office. The figures for "11/03" (FY2010) are preliminary figures announced on June 9, 2011.



Source: Japan Leasing Association



Graph figures for the years ended March 31, 2007 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Overview of Results

The value of new contracts executed in the fiscal year ended March 31, 2011 grew 43.2% year on year to ¥893,890 million. This was mainly attributable to healthy revenues in the leasing and installment sales businesses and the solution-oriented financing business for real estate, ships and aircraft as well as favorable sales by Japanese and overseas subsidiaries. The balance of operating assets, including assets held by the business guarantees, rose 4.5% year on year to ¥2,049,804 million owing to a robust increase in the value of new contracts executed as well as the inclusion of IHI Finance Support Corporation in our scope of consolidation. The medium-term management plan goal of ¥2 trillion in operating assets was thus achieved.

Turning to profit and loss, total revenues declined 6.0% year on year to ¥713,182 million, reflecting a decrease in operating assets in the leasing and installment sales business. However, operating income surged 35.4% to ¥41,034 million and ordinary income soared 32.2% to ¥44,170 million due to growth in the financing business, lower funding costs and a reduction in the allowance for doubtful accounts. Net income, however, decreased 7.4% year on year to ¥23,646 million due in large part to the absence of increased revenue in line with the termination of litigation posted in the previous fiscal year.

Revenues, Gross Profit on Revenues

Total revenues declined ¥45,492 million, or 6.0%, year on year to ¥713,182 million.

Gross profit rose ¥6,488 million, or 10.0%, to ¥71,593 million. This was due to a decrease in funding costs of ¥5,514 million, or 27.6%, to ¥14,487 million as a result of the increase in revenue on the back of growth in the financial business as well as decline in the fund procurement rate.

Operating Income

Selling, general and administrative expenses declined ¥4,251 million, or 12.2%, year on year to ¥30,559 million. Major factors included an increase in personnel and non-personnel expenses of ¥268 million, or 0.9%, to ¥29,421 million, and a drop in the allowance for doubtful accounts of ¥4,518 million, or 79.9%, to ¥1,139 million. As a result, operating income grew ¥10,739 million, or 35.4%, year on year to ¥41,034 million.

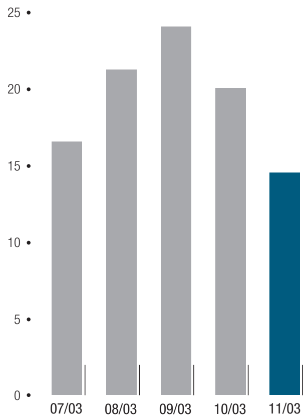
Ordinary Income

Net non-operating income and expenses remained virtually unchanged from the previous accounting period. Accordingly, ordinary income rose ¥10,756 million, or 32.2%, to ¥44,170 million, marking a record-high result.

Net Income

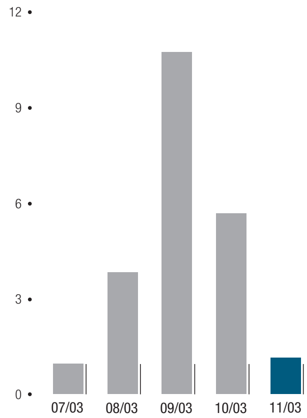
Net extraordinary items resulted in a loss of ¥3,465 million, a rise of ¥3,215 million year on year in the fiscal year under review. This was largely attributable to the recording of a

Funding Costs
(Billions of yen)



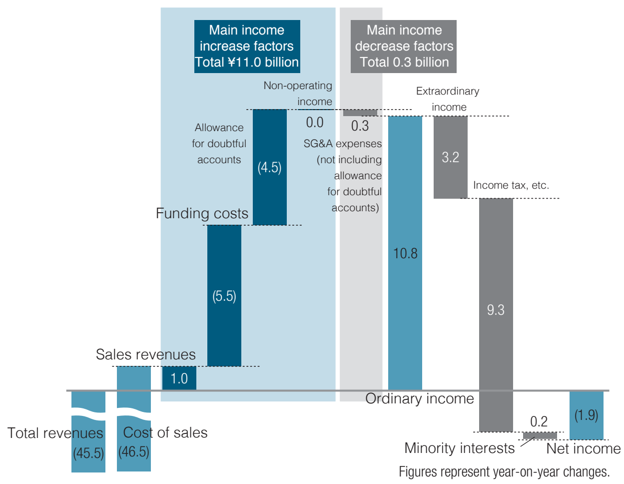
Graph figures for the years ended March 31, 2007 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Allowance for Doubtful Accounts
(Billions of yen)



Graph figures for the years ended March 31, 2007 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.

loss on revision of retirement benefit plan, a loss on devaluation of investments in securities, and a loss on disaster attributable to the Great East Japan Earthquake. Nevertheless, income before income taxes and minority interests grew ¥7,540 million, or 22.7%, to ¥40,704 million. Income taxes surged ¥9,257 million, or 130.5%, to ¥16,348 million, while minority interests in income climbed ¥179 million, or 33.7%, to ¥710 million.

As a result, net income declined ¥1,896 million, or 7.4%, year on year to ¥23,646 million. If the effect of higher income due to litigation posted in the previous accounting period is excluded, net income, after absorbing extraordinary loss, increased 29%.

Net income per share decreased ¥17.77 compared with the previous accounting period to ¥221.80. ROE decreased 3.7 percentage points to 14.8%, while ROA edged up 0.5 of a percentage point to 2.0%.

Results by Segment

In the leasing and installment sales business, the value of new contracts executed grew 16.7% year on year to ¥559,196 million. Total sales declined 6.5% to ¥693,039 million, and segment profit rose 20.1% to ¥43,483 million.

In the financing business, the value of new contracts executed soared 131.0% year on year to ¥334,694 million. Total sales grew 12.3% to ¥13,211 million, and segment profit skyrocketed 354.2% to ¥4,877 million.

In other businesses excluded from the reporting segments, revenues climbed 16.2% year on year to ¥7,373 million, and profit rose 9.5% to ¥1,342 million.

Financial Condition

Total Assets

Total assets as of March 31, 2011 rose ¥51,707 million, or 2.4%, from a year earlier to ¥2,184,599 million. This was mainly due to an increase in operating assets and decrease in marketable securities, etc.

Operating Assets

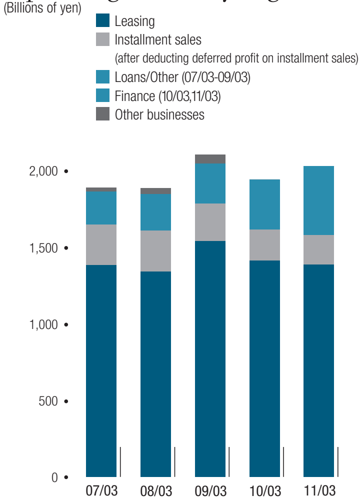
The balance of operating assets as of March 31, 2011 grew ¥85,768 million, or 4.4%, year on year to ¥2,023,723 million. By segment, the balance of operating assets held by the leasing and installment business declined ¥35,117 million, or 2.2%, to ¥1,575,532 million, and that held by the financing business surged ¥120,883 million, or 36.9%, to ¥448,190 million.

Liabilities

Total liabilities as of the accounting period end rose ¥31,071 million, or 1.6%, year on year to ¥2,005,847 million. Major factors included an increase in notes and accounts payable—trade and a decrease in interest-bearing debt.

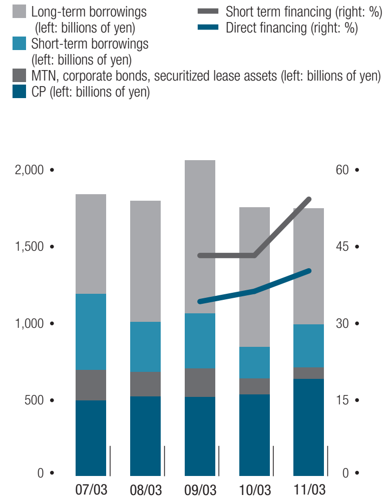
Interest-bearing debt edged down ¥7,879 million, or 0.5%, to ¥1,741,897 million. A breakdown of interest-bearing debt shows that short-term borrowings rose ¥193,914 million, or 25.9%, to ¥941,830 million, due mainly to a ¥100,800 million, or 19.0%, increase in commercial paper to ¥630,300 million and in short-term borrowings of ¥74,614 million, or 36.1%, to ¥281,030 million. Long-term fund procurement declined ¥201,793 million, or 20.1% year on year to ¥800,067 million, reflecting a decrease in long-

Operating Assets by Segment



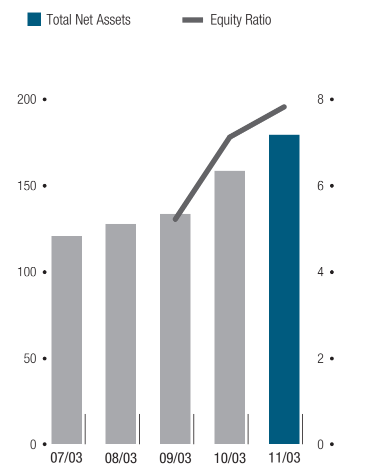
Graph figures for the years ended March 31, 2007 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

Condition of Fund Procurement



Graph figures for the years ended March 31, 2007 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, 2007 through 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

term loans of ¥154,764 million, or 17.0%, to ¥756,966 million, and in long-term payables for debt securitization of ¥48,028 million, or 53.6%, to ¥41,601 million.

Net Assets

Net assets rose ¥20,636 million, or 13.1% year on year to ¥178,752 million. It was mainly due to a ¥20,192 million increase in retained earnings.

The shareholders' equity ratio grew 0.7 of a percentage point compared with the previous fiscal year-end to 7.8%.

Indirect Funding and Direct Funding

During the fiscal year under review, indirect funding decreased ¥80,149 million to ¥1,037,996 million, reflecting the decrease in long-term borrowings. Direct financing rose ¥72,271 million to ¥703,901 million, owing to a decrease in fund procurement through debt securitization and an increase in commercial paper and corporate bonds. As a result, the direct financing ratio for the period ended March 31, 2011, was 40.4%, up 4.3 percentage points from the previous accounting period.

Reflecting a significant drop in long-term borrowings, the long-term fund procurement ratio stood at 45.9%, down 11.3 percentage points year on year.

Securing Liquidity

With the aim of securing liquidity, the Group signed overdraft agreements and commitment line agreements with 65 financial institutions. As of March 31, 2011, the total value of contracts amounted to ¥733,878 million, up ¥91,076 million year on year.

The Group secured a sufficient liquidity of funds as of the end of this period, with ¥460,021 million in unused facilities.

Cash Flows

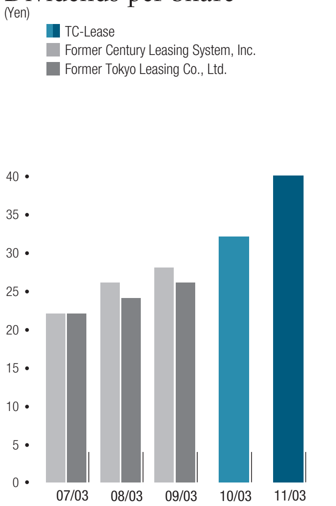
Net cash provided by operating activities was ¥48,552 million, down from net cash provided by operating activities of ¥194,308 million in the previous fiscal year. This was mainly attributable to a decrease in income due to the increased value of new contracts executed in the Financing and other businesses compared with the previous fiscal year.

Net cash provided by investing activities totaled ¥23,192 million, a turnaround from net cash used in investing activities of ¥8,949 million, due mainly to the proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation.

Net cash used in financing activities was ¥89,762 million, down from net cash used in financing activities of ¥306,146 million in the previous fiscal year. Major components included repayment of long-term debt, which increased compared with the previous fiscal year.

As a result, cash and cash equivalents at end of year were down ¥18,153 million year on year, amounting to ¥32,794 million.

Dividends per Share



Dividends for the Fiscal Year Ended March 31, 2011

In light of the support afforded the Company by stakeholders, including shareholders, as well as a healthier than expected business performance at the beginning of the fiscal year, the Group upwardly revised the ¥32 per share dividend (¥16 per share for both interim and end-of-year dividends) decided on at the beginning of the fiscal year, adding ¥3 per share to the interim dividend for a payout totaling ¥19 per share, and ¥5 per share to the end-of-period dividend for a payout amounting to ¥21 per share.

Fiscal 2011 Outlook

In addition to a severe industry environment in which domestic leasing markets are shrinking due to sluggish domestic private capital investment and other factors, the management environment surrounding the Group is expected to be radically transformed in the future by the introduction of the International Financial Reporting Standards (IFRS), the globalization of domestic companies in Japan and other factors.

In light of this outlook, the Group will promote business activities not only by fully utilizing its customer base but also by carrying out global business development in the Chinese and other Asian markets while working to further reduce funding costs as well as the credit costs in an effort to improve profitability.

For the fiscal year ending March 31, 2012, the Group expects revenues amounting to ¥690,000 million (down 3.3%); ¥37,000 million in operating income (down 9.8%); ¥41,000 million in ordinary income (down 7.2%) and net income of ¥24,500 million (up 3.6%).

Dividends in the Fiscal Year Ending March 31, 2012

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

For the fiscal year ending March 31, 2012, the Group is planning an annual dividend of ¥40 per share (¥20 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 condition.

(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 the leased property in question or leasing it to another customer.

The Group strives to minimize credit risks through cautious credit management, the assessment of properties, 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 or any factors, such as those attributable to the Great East Japan Earthquake.

(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 property 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) Risk Attributable to Unpredictable Events

The Group has established measures based on its business continuity plan (BCP) to ensure preparedness in the event of large-scale disasters (including earthquakes, wind and flood damage, fire and man-made disasters) or the outbreak of infectious diseases, such as new-type influenza and SARS. There may be impacts on the Group's results if such events precipitate unpredictable economic damage.

(7) 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 properties; 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)

	FY2006	FY2007	FY2008	FY2009	FY2010
Private capital investment (a)	¥79,825.9	¥80,917.9	¥76,321.0	¥63,671.6	¥65,855.6
YoY comparison	105.2%	101.4%	94.3%	83.4%	103.4%
Total lease transaction	7,867.7	7,154.2	6,056.4	4,921.9	4,555.3
YoY comparison	99.1%	90.9%	84.7%	81.3%	92.6%
Capital investment financed by leasing (b)	7,121.3	6,342.0	5,444.4	4,405.8	4,116.1
YoY comparison	100.3%	89.1%	85.8%	80.9%	93.4%
Ratio of capital investment financed by leasing to private capital investment (b)÷(a)	8.9%	7.8%	7.1%	6.9%	6.3%
Newly executed lease contracts of the Group	¥ 565.0	¥ 468.3	¥ 520.8	¥ 428.2	¥ 476.2
YoY comparison	98.5%	82.9%	111.2%	82.2%	111.2%

Notes:
1. Private capital investment is based on a survey by the Cabinet Office. The figures for FY2010 are preliminary figures announced on June 9, 2011.
2. Capital investment financed by leasing is statistical data released by the Japan Leasing Association.
3. Figures for the years ended March 31, 2007 through 2009 are the simple aggregate of values recorded by former Century Leasing System, Inc. and former Tokyo Leasing Co., Ltd.

CONSOLIDATED BALANCE SHEETS

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
AS OF MARCH 31, 2011 AND 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	**2011**
ASSETS			
Current assets:			
Cash on hand and in banks (Notes 8, 11 and 16)	**¥ 30,096**	¥ 31,632	**$ 361,947**
Accounts receivable:			
Installment sales (Notes 8 and 16)	**203,417**	214,460	**2,446,391**
Lease receivables and investment assets (Notes 8, 14 and 16)	**1,255,791**	1,288,873	**15,102,713**
Loans (Notes 8 and 16)	**367,120**	256,693	**4,415,158**
Leases	**16,040**	17,743	**192,903**
Other	**10,033**	5,242	**120,664**
Allowance for doubtful accounts (Note 16)	**(7,788)**	(9,993)	**(93,664)**
Operational investment securities (Notes 3, 6 and 16)	**76,043**	63,981	**914,523**
Other operating assets	**526**	1,452	**6,328**
Short-term investment securities (Notes 6 and 16)	**4,000**	20,000	**48,106**
Inventories	**1,086**	962	**13,061**
Deferred tax assets (Note 12)	**3,390**	4,223	**40,776**
Other current assets	**21,209**	36,828	**255,071**
Total current assets	**1,980,963**	1,932,096	**23,823,977**
Investments and other assets:			
Investments in securities (Notes 6, 8 and 16):			
Unconsolidated subsidiaries and affiliates	**14,558**	12,673	**175,080**
Other securities	**31,110**	30,631	**374,144**
Long-term loans and other assets	**12,494**	13,549	**150,255**
Claims provable in bankruptcy or rehabilitation (Notes 4, 8 and 16)	**6,236**	11,069	**75,002**
Deferred tax assets (Note 12)	**3,163**	7,872	**38,036**
Allowance for doubtful accounts (Note 16)	**(2,713)**	(4,223)	**(32,630)**
Total investments and other assets	**64,848**	71,571	**779,887**
Property and equipment, at cost less accumulated depreciation:			
Leased assets (Notes 7 and 8)	**127,578**	121,658	**1,534,313**
Advances for purchases of property for lease	**2,301**	—	**27,675**
Own assets in use (Note 7)	**3,134**	3,228	**37,692**
Property and equipment, net	**133,013**	124,886	**1,599,680**
Intangible assets:			
Computer programs leased to customers	**327**	331	**3,933**
Other intangible assets	**5,448**	4,008	**65,521**
Total intangible assets	**5,775**	4,339	**69,454**
Total assets	**¥2,184,599**	¥2,132,892	**$26,272,998**

The accompanying notes are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
LIABILITIES AND NET ASSETS			
Current liabilities:			
Short-term borrowings (Notes 8, 11 and 16)	¥ 941,830	¥ 747,916	$11,326,882
Current portion of long-term debt (Note 8)	301,695	382,208	3,628,320
Notes and accounts payable—trade (Note 16)	134,367	95,690	1,615,957
Lease obligations (Note 16)	12,983	13,751	156,140
Accrued income taxes (Note 12)	6,914	2,151	83,156
Advances received from customers	4,691	3,577	56,413
Deferred tax liabilities (Note 12)	413	—	4,965
Deferred profit on installment sales	11,581	13,921	139,282
Other current liabilities	26,723	33,659	321,385
Total current liabilities	1,441,197	1,292,873	17,332,500
Long-term liabilities:			
Long-term debt (Notes 8 and 16)	498,372	619,651	5,993,653
Lease obligations (Note 16)	13,520	13,351	162,595
Retirement benefits (Note 13)	1,059	1,031	12,742
Guarantee deposits from customers	23,035	23,350	277,030
Deferred tax liabilities (Note 12)	3,798	3,259	45,672
Allowance for automobile inspection costs	107	162	1,287
Negative goodwill	180	1,304	2,163
Other long-term liabilities	24,579	19,795	295,601
Total long-term liabilities	564,650	681,903	6,790,743
Total liabilities	2,005,847	1,974,776	24,123,243
Contingent liabilities (Note 15)			
Net assets:			
Shareholders' equity (Notes 18 and 19):			
Common stock without par value:			
Authorized: 400,000,000 shares			
Issued: 106,624,620 shares in 2011 and 106,624,620 shares in 2010	34,231	34,231	411,678
Capital surplus	5,538	5,538	66,602
Retained earnings	131,485	111,293	1,581,304
Treasury stock:			
12,377 shares in 2011 and 10,181 shares in 2010	(11)	(9)	(141)
Total shareholders' equity	171,243	151,053	2,059,443
Accumulated other comprehensive income (loss) (Note 5)			
Net unrealized holding gains on securities	1,727	1,797	20,768
Net unrealized gains on derivative instruments	1,974	1,291	23,737
Translation adjustments	(4,943)	(3,750)	(59,442)
Total accumulated other comprehensive loss (Note 5)	(1,242)	(662)	(14,937)
Minority interests in consolidated subsidiaries	8,751	7,725	105,249
Total net assets	178,752	158,116	2,149,755
Total liabilities and net assets	¥2,184,599	¥2,132,892	$26,272,998

CONSOLIDATED STATEMENTS OF INCOME

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31, 2011 AND 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	**2011**
Revenues (Note 20):			
Leases	**¥598,925**	¥635,808	**$7,202,955**
Installment sales	**94,114**	105,413	**1,131,860**
Other	**20,143**	17,453	**242,250**
Total revenues	**713,182**	758,674	**8,577,065**
Costs:			
Leases	**531,387**	567,884	**6,390,704**
Installment sales	**88,443**	98,378	**1,063,652**
Interest expense	**14,487**	20,001	**174,229**
Other	**7,272**	7,306	**87,461**
Total costs	**641,589**	693,569	**7,716,046**
Gross profit	**71,593**	65,105	**861,019**
Selling, general and administrative expenses (Note 10)	**30,559**	34,810	**367,520**
Operating income	**41,034**	30,295	**493,499**
Other income (expenses):			
Interest and dividend income	**722**	653	**8,681**
Interest expense	**(726)**	(1,322)	**(8,726)**
Equity in earnings of affiliates	**1,412**	909	**16,984**
Gain on amortization of negative goodwill	**890**	890	**10,706**
Foreign exchange gains	**717**	1,762	**8,627**
Gain on reversal of allowance for doubtful accounts	**—**	2,146	**—**
Gain on sale of investments in securities	**196**	170	**2,362**
Gain on bad debts recovered (Note 4)	**43**	—	**515**
Loss on revision of retirement benefit plan	**(1,260)**	—	**(15,159)**
Loss on disaster	**(424)**	—	**(5,096)**
Merger costs	**—**	(2,058)	**—**
Loss on devaluation of investments in securities	**(1,133)**	(246)	**(13,622)**
Other, net	**(767)**	(35)	**(9,237)**
Income before income taxes and minority interests	**40,704**	33,164	**489,534**
Income taxes (Note 12):			
Current	**10,430**	4,799	**125,434**
Deferred	**5,918**	2,292	**71,175**
	16,348	7,091	**196,609**
Income before minority interests (Note 4)	**24,356**	—	**292,925**
Minority interests	**710**	531	**8,538**
Net income (Note 21)	**¥ 23,646**	¥ 25,542	**$ 284,387**

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31, 2011 AND 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Income before minority interests	¥24,356	¥26,073	$292,925
Other comprehensive income (loss)			
Net unrealized holding gains (losses) on securities	(71)	1,931	(855)
Net unrealized gains (losses) on derivative instruments	785	(471)	9,436
Translation adjustments	(1,190)	414	(14,305)
Share of other comprehensive income (loss) of affiliates accounted for using equity method	(22)	30	(264)
Total other comprehensive income (loss)	(498)	1,904	(5,988)
Comprehensive income	¥23,858	¥27,977	$286,937
Comprehensive income attributable to:			
Shareholders of Century Tokyo Leasing Corporation	¥23,073	¥27,433	$277,497
Minority shareholders	785	544	9,440

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31, 2011 AND 2010

	Number of shares Thousands		Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	**2011**	2010	**2011**
Common stock					
Balance at beginning of year	**106,625**	52,126	**¥ 34,231**	¥ 11,867	**$ 411,678**
Changes due to merger	**—**	54,499	**—**	22,364	**—**
Balance at end of year	**106,625**	106,625	**34,231**	34,231	**411,678**
Capital surplus					
Balance at beginning of year			**5,538**	5,538	**66,602**
Balance at end of year			**5,538**	5,538	**66,602**
Retained earnings					
Balance at beginning of year			**111,293**	43,713	**1,338,454**
Changes due to merger			**—**	44,260	**—**
Net income for the year			**23,646**	25,542	**284,387**
Cash dividends			**(3,944)**	(2,222)	**(47,440)**
Disposal of treasury stock			**—**	0	**—**
Changes in the scope of equity method			**481**	—	**5,788**
Other			**9**	0	**115**
Balance at end of year			**131,485**	111,293	**1,581,304**
Treasury stock					
Balance at beginning of year	**(10)**	(1)	**(9)**	(1)	**(107)**
Changes due to merger	**—**	(2)	**—**	(1)	**—**
Acquisition of treasury stock	**(2)**	(8)	**(2)**	(8)	**(34)**
Disposal of treasury stock	**0**	1	**0**	1	**0**
Balance at end of year	**(12)**	(10)	**(11)**	(9)	**(141)**
Total shareholders' equity			**¥171,243**	¥151,053	**$2,059,443**
Net unrealized holding gain on securities					
Balance at beginning of year			**¥ 1,797**	¥ 40	**$ 21,609**
Changes due to merger			**—**	(180)	**—**
Net changes during the year			**(70)**	1,937	**(841)**
Balance at end of year			**1,727**	1,797	**20,768**
Net unrealized profits (losses) on derivative instruments					
Balance at beginning of year			**1,291**	(427)	**15,532**
Changes due to merger			**—**	2,190	**—**
Net changes during the year			**683**	(472)	**8,205**
Balance at end of year			**1,974**	1,291	**23,737**
Translation adjustments					
Balance at beginning of year			**(3,750)**	(157)	**(45,098)**
Changes due to merger			**—**	(4,019)	**—**
Net changes during the year			**(1,193)**	426	**(14,344)**
Balance at end of year			**(4,943)**	(3,750)	**(59,442)**
Total accumulated other comprehensive loss (Note 5)			**¥ (1,242)**	¥ (662)	**$ (14,937)**
Minority interests in consolidated subsidiaries					
Balance at beginning of year			**¥ 7,725**	¥ 197	**$ 92,904**
Changes due to merger			**—**	7,837	**—**
Net changes during the year			**1,026**	(309)	**12,345**
Balance at end of year			**8,751**	7,725	**105,249**
Total net assets			**¥178,752**	¥158,116	**$2,149,755**

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, 2011 AND 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 40,704	¥ 33,164	$ 489,534
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	26,847	25,576	322,876
Decrease in allowance for doubtful accounts	(4,067)	(13,645)	(48,909)
Loss on disposal of leased assets	4,481	23,192	53,890
Loss on devaluation of investments in securities	1,133	246	13,622
Foreign exchange gains	(717)	(1,801)	(8,628)
Interest and dividend income	(722)	(653)	(8,681)
Interest expenses	15,213	21,323	182,955
Gain on sale of investments in securities	(155)	(169)	(1,870)
Loss on revision of retirement benefit plan	1,260	—	15,159
Loss on disaster	424	—	5,096
Decrease in installment sales receivable	8,235	57,787	99,037
Decrease in lease receivables and investment assets	28,387	76,707	341,393
Decrease (increase) in loans receivable	(24,185)	4,932	(290,856)
Increase in operational investment securities	(12,061)	(7,796)	(145,054)
Purchases of leased assets	(29,420)	(23,550)	(353,817)
Decrease in claims provable in bankruptcy or rehabilitation	4,767	15,346	57,326
Increase (decrease) in trade notes and accounts payable	8,323	(4,942)	100,095
Other, net	19	11,088	232
Subtotal	68,466	216,805	823,400
Interest and dividend income received	1,061	832	12,761
Interest expenses paid	(15,722)	(21,065)	(189,077)
Income taxes paid	(5,253)	(2,264)	(63,180)
Net cash provided by operating activities	48,552	194,308	583,904
Cash flows from investing activities:			
Purchases of own assets in use	(3,733)	(1,679)	(44,898)
Proceeds from sales/redemptions of investments in securities	668	790	8,033
Purchases of investments in securities	(781)	(5,525)	(9,396)
Purchases of shares of a consolidated subsidiary	(1)	(770)	(9)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	26,675	—	320,808
Collection of loans receivable	1	2	14
Other, net	363	(1,767)	4,360
Net cash provided by (used in) investing activities	23,192	(8,949)	278,912
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings, net	102,089	(134,366)	1,227,765
Proceeds from long-term debt	207,866	214,756	2,499,892
Repayment of long-term debt	(396,575)	(370,924)	(4,769,399)
Proceeds from issuance of short-term bonds	1,500	—	18,039
Redemption of bonds	(500)	(13,500)	(6,013)
Cash dividends paid	(3,945)	(2,222)	(47,441)
Other, net	(197)	110	(2,367)
Net cash used in financing activities	(89,762)	(306,146)	(1,079,524)
Effect of exchange rate changes on cash and cash equivalents	(135)	53	(1,620)
Net decrease in cash and cash equivalents	(18,153)	(120,734)	(218,328)
Cash and cash equivalents at beginning of year	50,947	67,387	612,719
Cash and cash equivalents increased by merger	—	71,133	—
Increase due to inclusion in consolidation	—	33,161	—
Cash and cash equivalents at end of year (Note 11)	¥ 32,794	¥ 50,947	$ 394,391

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
MARCH 31, 2011 AND 2010

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"), 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 Financial Instruments and Exchange Law of Japan. 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 ¥83.15 = US$1.00, the approximate rate of exchange in effect on March 31, 2011. 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 Company established TC Business Experts Corporation and another company during the fiscal year ended March 31, 2011, which have been newly included in the scope of consolidation.

The Company acquired the shares of IHI Finance Support Corporation, which has been newly included in the scope of consolidation from the fiscal year ended March 31, 2011.

A total of four companies including Rivership Co., Ltd. have been excluded from the scope of consolidation due to the completion of liquidation procedures and other reasons from the fiscal year ended March 31, 2011.

Tokyo Lease Kanzai Co., Ltd. and Century Business Service, Inc. merged on April 1, 2010, and have changed their names to TC Agency Corporation.

The Company acquired additional shares of Nippon Rent-A-Car Service, Inc., which has been included as an affiliated company accounted for by the equity method from the fiscal year ended March 31, 2011.

With respect to affiliated companies accounted for by the equity method whose account closing dates differ from the closing date of the Company, the Company has used their financial statements as of their respective fiscal year end.

(Change in Accounting Policy)

From the fiscal year ended March 31, 2011, the Company has adopted the "Revised Accounting Standard for Equity Method of Accounting for Investments" (Accounting Standards Board of Japan (ASBJ), Statement No. 16, revised on March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for using the Equity Method" (Practical Issues Task Force No. 24, March 10, 2008). The change had no effect on the consolidated statements of income.

The number of consolidated subsidiaries and affiliated companies for 2011 and 2010 are as follows:

	2011	2010
Consolidated subsidiaries	92	94
Affiliated companies	6	5

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.

In preparing the consolidated financial statements as of March 31, 2011, the financial statements of TLC Freesia Co., Ltd. and 18 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, 2010 and necessary adjustments were made to their financial statements to reflect any significant transactions from January 1 to March 31, 2011.

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 assets are 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 receivables, lease investment assets and loans. 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 directly in net assets. 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, 2011 and 2010, the Companies did not have any trading securities.

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 and unrecognized prior service cost. 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 forward foreign exchange 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 receivables and loans receivables 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 receivables and loans receivables) 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 items 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 and investments in securities of investments and other assets decreased by the same amount.

(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.

(Adoption of Accounting Standard for Asset Retirement Obligations)

From the fiscal year ended March 31, 2011, the Company has adopted the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Implementation Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008).

As a result, operating income decreased by ¥36 million ($430 thousand) and income before income taxes and minority interests decreased by ¥227 million ($2,731 thousand). The asset retirement obligations of ¥836 million ($10,057 thousand) were recognized at April 1, 2010 as a result of this change.

(Adoption of Accounting Standard for Business Combinations, etc.)

From the fiscal year ended March 31, 2011, the Company has adopted the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), “Partial Amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, December 26, 2008), “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008), “Revised Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, December 26, 2008) and “Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008).

4. Change in Presentation Method

(Consolidated Balance Sheets)

Emission right in the amount of ¥6 million as at March 31, 2009 formerly 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 formerly 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” from the fiscal year ended March 31, 2010 since the amount of the account exceeded 10% of the total of “Other income.”

From the fiscal year ended March 31, 2011, the Company has adopted the “Cabinet Office Ordinance Partially Amending Regulations on the Terminology, Format and Preparation of Financial Statements” (Cabinet Ordinance No. 5, March 24, 2009) based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), and has reported the item “Income before minority interests.”

“Gain on bad debts recovered”, which was itemized as “Other, net” under Other income (expenses) in the amount of ¥37 million for the year ended March 31, 2010, has been itemized separately for the fiscal year ended March 31, 2011.

“Merger costs” of ¥97 million ($1,169 thousand) for the year ended March 31, 2011, which was itemized separately under Other income (expenses) has been included in “Other, net” in Other income (expenses) for the fiscal year ended March 31, 2011.

5. Additional Information

From the fiscal year ended March 31, 2011, the Company has adopted the “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, June 30, 2010). Amounts for “Valuation, translation adjustments and other” and “Total valuation, translation adjustments and other” have been reported as amounts equivalent to “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” for the previous consolidated fiscal year.

6. 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, 2011 and 2010 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Equity securities	¥ 26,653	¥ 26,513	$ 320,545
Debt securities	14,381	15,375	172,953
Other	70,082	72,691	842,837
	¥111,116	¥114,579	$1,336,335

The carrying amounts and aggregate fair value of securities with determinable market value at March 31, 2011 and 2010 were as follows:

	Millions of yen			
	March 31, 2011			
	Cost or book value	Unrealized gain	Unrealized loss	Fair value
Available-for-sale securities:				
Equity securities	¥12,444	¥4,030	¥696	¥15,778
Debt securities	13,622	176	67	13,731
Other	14,170	89	552	13,707

	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

	Thousands of U.S. dollars			
	March 31, 2011			
	Cost or book value	Unrealized gain	Unrealized loss	Fair value
Available-for-sale securities:				
Equity securities	$149,664	$48,468	$8,376	$189,756
Debt securities	163,832	2,116	811	165,137
Other	170,414	1,075	6,644	164,845

Available-for-sale securities whose fair value was not readily determinable as of March 31, 2011 and 2010 were as follows:

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Available-for-sale:			
Equity securities	¥10,875	¥10,961	$130,789
Debt securities	650	200	7,816
Other	56,375	45,499	677,992

Proceeds from sale of available-for-sale securities and the resulting realized gain or loss for the years ended March 31, 2011 and 2010 are summarized as follows:

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Proceeds	¥2,908	¥435	$34,967
Realized gain	356	170	4,278
Realized loss	41	0	492

7. Accumulated Depreciation for Property and Equipment

Accumulated depreciation for property and equipment at March 31, 2011 and 2010 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Leased assets	¥96,560	¥90,462	$1,161,277
Own assets in use	2,123	1,928	25,528

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

Short-term borrowings at March 31, 2011 and 2010 were as follows:

	Millions of yen		Thousands of U.S. dollars	Weighted-average interest rate
	2011	2010	2011	
Short-term loans from banks	¥281,030	¥206,416	$ 3,379,798	0.55%
Commercial paper	630,300	529,500	7,580,277	0.15%
Payables under securitized lease receivables	30,500	12,000	366,807	0.44%
Total	¥941,830	¥747,916	$11,326,882	

Long-term debt at March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Thousands of U.S. dollars	Weighted-average interest rate
	2011	2010	2011	
Long-term loans, principally from banks	¥ 756,966	¥ 911,730	$ 9,103,621	1.17%
Payables under securitized lease receivables	41,601	89,629	500,312	2.05%
Medium-term notes	1,500	500	18,040	0.35%
Total	800,067	1,001,859	9,621,973	
Less current portion	(301,695)	(382,208)	(3,628,320)	
	¥ 498,372	¥ 619,651	$ 5,993,653	

The Companies have entered into overdraft contracts which provided the Companies with the overdraft facilities with sixty-five and fifty-four financial institutions as of March 31, 2011 and 2010 amounting to ¥733,879 million ($8,825,963 thousand) and ¥642,802 million, respectively. The unused facilities maintained by the Companies as of March 31, 2011 and 2010 amounted to ¥460,021 million ($5,532,429 thousand) and ¥458,805 million, respectively.

The aggregate annual maturity of long-term debt subsequent to March 31, 2011 is summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2012	¥301,695	$3,628,320
2013	243,614	2,929,818
2014	144,747	1,740,793
2015	50,981	613,125
2016	32,402	389,677
2017 and thereafter	26,628	320,240
	¥800,067	$9,621,973

The Companies' assets pledged as collateral, principally for long-term debt of ¥118,328 million ($1,423,071 thousand), at March 31, 2011 were as follows:

	Millions of yen	Thousands of U.S. dollars
Cash on hand and in banks	¥ 26	$ 316
Accounts receivable—installment sales	10,229	123,020
Accounts receivable—lease receivables and investment assets	120,391	1,447,871
Leased assets	38,574	463,902
Inventories	215	2,588
Other current assets	7,792	93,713
Accounts receivable—loans	296	3,563
Investments in securities	13	154
Claims provable in bankruptcy or rehabilitation	957	11,513
	¥178,493	$2,146,640

9. Derivatives

In general, interest-rate swaps and forward foreign exchange 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 exposed. 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, 2011:

	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	¥ 905 (905)	¥(18)	¥(18)	$ 10,879 (10,879)	$(222)	$(222)
Receive/JPY;						
Pay/SGD	205 (—)	(6)	(6)	2,470 (—)	(75)	(75)
Total	¥1,110	¥(24)	¥(24)	$ 13,349	$(297)	$(297)
Interest-rate swap contracts:						
Receive/fixed; Pay/floating	¥ 629 (629)	¥ (3)	¥ (3)	$ 7,570 (7,570)	$ (34)	$ (34)
Pay/fixed; Receive/floating	7,701 (764)	(37)	(37)	92,621 (9,187)	(444)	(444)
Interest-rate cap contracts						
Call	630	1	1	7,571	7	7
Total	(630)			(7,571)		
	¥8,960	¥(39)	¥(39)	$107,762	$(471)	$(471)

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

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

	Millions of yen		
	Notional amount (over one year)	Fair value	Unrealized gain (loss)
Currency swap contracts:			
Receive/USD;			
Pay/SGD	¥ 921 (921)	¥ (17)	¥ (17)
Receive/JPY;			
Pay/SGD	411 (411)	(30)	(30)
Total	¥ 1,332	¥ (47)	¥ (47)
Interest-rate swap contracts:			
Receive/fixed; Pay/floating	¥ 2,072 (268)	¥ (25)	¥ (25)
Pay/fixed; Receive/floating	22,219 (7,250)	(238)	(238)
Interest-rate cap contracts			
Call	517 (—)	0	0
Total	¥24,808	¥(263)	¥(263)

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

The following table presents the outstanding derivative positions that qualify for hedge accounting at March 31, 2011:

	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**	**¥1,319 (873)**	**¥66**	**$ 15,859 (10,494)**	**$800**
Call					
USD	**Accounts-receivable—installment sales**	**2 (—)**	**0**	**25 (—)**	**0**
Deferral hedge accounting:					
Forward exchange contracts:					
Put					
USD	**Inventories**	**712 (—)**	**10**	**8,567 (—)**	**119**
Call					
USD	**Inventories**	**558 (—)**	**(3)**	**6,716 (—)**	**(40)**
Currency options:					
Call					
USD	**Inventories**	**1,146 (—)**	**2**	**13,779 (—)**	**23**
Put					
USD	**Inventories**	**1,146 (—)**	**4**	**13,779 (—)**	**50**
Total		**¥4,883 (873)**	**¥79**	**$ 58,725 (10,494)**	**$952**

	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**	**¥ 71,395 (37,795)**	**¥ (470)**	**$ 858,634 (454,541)**	**$ (5,660)**
Short-cut method:					
Receive/fixed; Pay/floating	**Borrowings**	**23,755 (13,255)**	**283**	**285,689 (159,411)**	**3,408**
Pay/fixed; Receive/floating	**Borrowings**	**186,365 (99,276)**	**(1,356)**	**2,241,314 (1,193,942)**	**(16,309)**
Receive/floating; Pay/floating	**Borrowings**	**10,500 (4,000)**	**36**	**126,278 (48,106)**	**432**
Total		**¥ 292,015 (154,326)**	**¥(1,507)**	**$ 3,511,915 (1,856,000)**	**$(18,129)**

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

	Millions of yen		
	Hedged items	Notional amount (over one year)	Fair value
Allocation method:			
Forward exchange contracts:			
Put			
USD	Accounts-receivable—installment sales	¥ 996 (742)	¥ (7)
THB	Accounts-receivable—installment sales	325 (—)	(7)
Call			
USD	Accounts-receivable—installment sales	430 (—)	17
Deferral hedge accounting:			
Forward exchange contracts:			
Put			
USD	Inventories	785 (90)	(14)
Call			
USD	Inventories	533 (—)	6
Currency options:			
Call			
USD	Inventories	1,086 (—)	13
Put			
USD	Inventories	1,086 (—)	5
Total		¥5,241 (832)	¥ 13

	Millions of yen		
	Underlying assets or liabilities hedged	Notional amount (over one year)	Fair value
Interest rate swap			
Deferral hedge accounting:			
Pay/fixed; Receive/floating	Borrowings	¥ 86,779 (54,067)	¥ (884)
Short-cut method:			
Receive/fixed; Pay/floating	Borrowings	70,552 (54,226)	(140)
Pay/fixed; Receive/floating	Borrowings	152,056 (107,477)	(1,502)
Receive/floating; Pay/fixed	Borrowings	12,500 (10,500)	75
Total		¥ 321,887 (226,270)	¥(2,451)

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

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

10. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the year ended March 31, 2011 and 2010 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Employees' salaries, wages and bonuses	**¥12,625**	¥13,285	**$151,830**
Computer related expenses	**3,369**	—	**40,521**
Allowance for doubtful accounts	**1,139**	5,657	**13,694**
Allowance for accrued bonuses for employees	**1,639**	1,540	**19,709**
Retirement benefit expenses	**741**	491	**8,912**
Allowance for accrued bonuses for directors	**73**	65	**880**
Allowance for retirement benefits for directors	**29**	24	**351**

11. Notes to the Consolidated Statements of Cash Flows

(1) Cash and cash equivalents at March 31, 2011 and 2010 are reconciled to the accounts reported in the consolidated balance sheet as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	**2011**
Cash on hand and in banks	**¥30,096**	¥31,632	**$361,947**
Time deposits with maturities of more than three months	**(166)**	(100)	**(1,998)**
Cash equivalents included in short-term investment securities	**4,000**	20,000	**48,106**
Bank overdrafts	**(1,136)**	(585)	**(13,664)**
Cash and cash equivalents	**¥32,794**	¥50,947	**$394,391**

(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
Current assets	¥1,434,011
Non-current assets	143,839
Total assets	1,577,850
Current liabilities	901,914
Non-current liabilities	603,484
Total liabilities	¥1,505,398

(3) The following is the summary of assets and liabilities at the inception on consolidation, acquisition cost of equity securities and proceeds from purchase of equity securities accompanied with the consolidation of IHI Finance Support Co. Ltd, a newly consolidated subsidiary, by the acquisition of shares for the year ended March 31, 2011.

	Millions of yen	Thousands of U.S. dollars
Current assets	¥ 123,709	$ 1,487,783
Non-current assets	524	6,307
Goodwill	859	10,326
Current liabilities	(111,122)	(1,336,398)
Non-current liabilities	(12,066)	(145,114)
Minority interests in consolidated subsidiaries	(350)	(4,214)
Acquisition cost of equity securities	¥ 1,554	$ 18,690
Cash and cash equivalents	(28,229)	(339,498)
Net: Proceeds from purchase of equity securities	¥ (26,675)	$ (320,808)

12. 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% for the years ended March 31, 2011 and 2010. The following is a reconciliation between the statutory tax rates and the effective tax rates for the years ended March 31, 2011 and 2010.

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

A reconciliation for the year ended March 31, 2011 is not presented because the difference between the statutory tax rate and the effective tax rate is negligible.

Temporary differences and tax loss carryforwards which gave rise to deferred tax assets and liabilities for the years ended March 31, 2011 and 2010 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Deferred tax assets:			
Allowance for doubtful accounts	¥ 1,004	¥ 5,752	$ 12,074
Tax adjustments for lease transactions	491	1,437	5,905
Loss on devaluation of own assets in use	580	572	6,981
Depreciation	1,442	1,389	17,347
Retirement benefits	901	1,090	10,831
Loss on devaluation of investments in securities	1,906	1,361	22,920
Accrued bonuses	673	628	8,090
Other	3,232	2,992	38,869
Subtotal	10,229	15,221	123,017
Less valuation allowance	(1,558)	(1,130)	(18,741)
Total deferred tax assets	8,671	14,091	104,276
Deferred tax liabilities:			
Net unrealized holding gain on securities	(1,135)	(1,190)	(13,654)
Other	(5,193)	(4,064)	(62,448)
Total deferred tax liabilities	(6,328)	(5,254)	(76,102)
Net deferred tax assets	¥ 2,343	¥ 8,837	$ 28,174

13. Retirement Benefits

1. Overview of Retirement Benefit Plans Implemented by the Company

The Company has implemented an employee pension fund plan (multi-employer welfare pension fund) and a defined benefit corporate pension plan under its defined benefit plan, and a defined contribution pension plan under its defined contribution plan.

The Company merged with Tokyo Leasing Co., Ltd. in April 2009 and maintained the retirement benefit plans of both companies until October 2010, when they were integrated into a single retirement benefit plan.

Following the integration, a lump-sum severance plan that had been maintained by Tokyo Leasing Co., Ltd. was transferred to the defined benefit plan and the defined contribution plan.

Some of the Company's consolidated subsidiaries in Japan have a lump-sum severance plan and a defined benefit corporate pension plan under their defined benefit plans.

2. The following summarizes the funded status of, and amounts recognized in the consolidated balance sheets at March 31, 2011 and 2010 for the Company's and the consolidated domestic subsidiaries' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Projected benefit obligation	¥(9,172)	¥(8,702)	$(110,310)
Fair value of plan assets	7,054	9,904	84,833
Unfunded benefit obligation	(2,118)	1,202	(25,477)
Unrecognized actuarial loss	742	636	8,932
Unrecognized prior service cost	405	(1,093)	4,871
Net recognized retirement benefit obligation	¥ (971)	¥ 745	$ (11,674)
Prepaid pension and severance costs	—	(1,725)	—
Accrued benefit obligation for employees	¥ (971)	¥ (980)	$ (11,674)

(Note) The effects of the partial transition from the lump-sum severance plan to a defined contribution plan are as follows.

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
(1) Decrease in retirement benefit obligations	¥ 1,516	—	$ 18,232
(2) Decrease in plan assets	(3,135)	—	(37,707)
(3) Unrecognized actuarial difference	(276)	—	(3,321)
(4) Decrease in provision for retirement benefits	¥(1,895)	—	$(22,796)

The Company plans to transfer assets totaling ¥1,643 million ($19,760 thousand) to the defined contribution plan over a four-year period. The amount yet to be transferred as of March 31, 2011 totaled ¥1,200 million ($14,434 thousand), and has been reported as accounts payable (Other current liabilities) and long-term accounts payable (Other long-term liabilities).

The following summarizes the components of the net periodic pension cost for employees for the years ended March 31, 2011 and 2010:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Service cost	¥ 469	¥ 386	$ 5,635
Interest cost	188	186	2,261
Expected return on plan assets	(111)	(103)	(1,334)
Amortization of actuarial loss	55	116	666
Amortization of prior service cost	(239)	(365)	(2,869)
Contribution to the fund	254	137	3,049
Contribution paid to the defined contribution pension plan	125	133	1,504
Net periodic pension cost	741	491	8,912
Loss on transfers between retirement benefit plans	1,260	—	15,158
Total	¥2,001	¥ 491	$24,070

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

	2011	2010
Discount rate	2.0~2.5%	2.0~2.5%
Expected rate of return on plan assets	1.0~3.2%	1.0~3.2%
Period for the recognition of actuarial gain or loss	five or ten years	five or ten years
Period for the recognition of prior service cost	five years or accrual basis	five years or accrual basis

The following summarizes the most recent funded status of the multi-employer welfare pension fund as of March 31, 2011 and 2010.

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Amount of plan assets	¥ 56,750	¥ 45,585	$ 682,497
Benefit obligations under pension funding programs	(70,596)	(70,099)	(849,018)
Difference	¥(13,846)	¥(24,514)	$(166,521)

The difference at March 31, 2011 above consisted of prior service cost under pension funding programs of ¥7,857 million ($94,496 thousand) and a general reserve of ¥5,989 million ($72,026 thousand).

For the year ended March 31, 2011, the ratio of the Company's contributions against total contributions to the plan was 2.88%.

14. Lease Transactions

(Lessors' accounting)

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, 2011 and 2010 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Future lease receivables	¥1,201,949	¥1,295,151	$14,455,189
Estimated residual value	39,232	40,027	471,811
Future interest income	(92,470)	(116,051)	(1,112,090)
	¥1,148,711	¥1,219,127	$13,814,910

The aggregate annual maturity of finance lease receivables that transfer ownership to the lessees, subsequent to March 31, 2011 and 2010, is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Due within one year	¥ 39,502	¥25,233	$ 475,067
Due after one to two years	28,405	20,334	341,608
Due after two to three years	20,796	14,187	250,113
Due after three to four years	12,939	9,563	155,613
Due after four to five years	6,025	4,000	72,456
Due after five years	5,250	1,183	63,137
	¥112,917	¥74,500	$1,357,994

The aggregate annual maturity of finance lease receivables that do not transfer ownership to the lessees, subsequent to March 31, 2011 and 2010, is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Due within one year	¥ 430,377	¥ 461,638	$ 5,175,907
Due after one to two years	308,029	337,306	3,704,498
Due after two to three years	211,730	230,216	2,546,369
Due after three to four years	125,696	138,359	1,511,679
Due after four to five years	66,302	66,238	797,375
Due after five years	59,815	61,394	719,361
	¥1,201,949	¥1,295,151	$14,455,189

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 "Lease 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 ¥7,757 million ($93,285 thousand) and ¥7,015 million for the years ended March 31, 2011 and 2010, 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, 2011 and 2010 under non-cancellable operating leases is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Due within one year	¥25,068	¥24,175	$ 301,477
Due after one years	67,105	66,324	807,034
	¥92,173	¥90,499	$1,108,511

15. Commitments and Contingent Liabilities

The Companies' contingent liabilities at March 31, 2011 and 2010 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
As a guarantor of indebtedness of:			
Loans and others	¥39,090	¥31,027	$470,114
Asset purchases	2,577	2,390	30,992
Employees' housing loans	307	356	3,695
	¥41,974	¥33,773	$504,801

The Companies, as lenders, have loan commitment agreements as of March 31, 2011 and 2010 amounting to ¥24,474 million ($294,340 thousand) and ¥40,680 million, respectively. The loans provided under these credit facilities as of March 31, 2011 and 2010 amounted to ¥4,737 million ($56,965 thousand) and ¥8,053 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.

16. Estimated Fair Value of Financial Instruments

The following table presents the carrying value and estimated fair value of financial instruments at March 31, 2011. 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, 2011		
	Carrying value	Estimated fair value	Difference
Assets			
(1) Cash on hand and in banks	¥ 30,096	¥ 30,096	¥ —
(2) Accounts receivable—installment sales	203,417		
Deferred profit on installment sales	(11,581)		
	191,836		
Allowance for doubtful accounts*1	(1,340)		
	190,496	192,586	2,090
(3) Accounts receivable—lease receivables and investment assets	1,255,791		
Estimated residual value*2	(39,232)		
	1,216,559		
Allowance for doubtful accounts*1	(4,050)		
	1,212,509	1,256,014	43,505
(4) Accounts receivable—loans	367,120		
Allowance for doubtful accounts*1	(2,364)		
	364,756	369,922	5,166
(5) Operational investment securities	23,438	23,438	—
(6) Short-term investment securities and investments in securities	19,778	19,778	—
(7) Claims provable in bankruptcy or rehabilitation	6,236		
Allowance for doubtful accounts*1	(2,713)		
	3,523	3,523	—
Total assets	¥1,844,596	¥1,895,357	¥ 50,761
Liabilities			
(1) Notes and accounts payable—trade	¥ 134,367	¥ 134,367	¥ —
(2) Short-term loans from banks	281,030	281,030	—
(3) Commercial paper	630,300	630,300	—
(4) Payables under securitized lease receivables	30,500	30,500	—
(5) Medium-term notes	1,500	1,494	6
(6) Long-term loans, principally from banks	756,966	761,987	(5,021)
(7) Long-term payables under securitized lease receivables	41,601	42,510	(909)
(8) Lease obligations	26,503	25,999	504
Total liabilities	¥1,902,767	¥1,908,187	¥ (5,420)
Derivatives			
Hedge accounting applied	¥ (64)	¥ (64)	¥ —
Hedge accounting not applied	(458)	(1,428)	(970)
Total derivatives	¥ (522)	¥ (1,492)	¥ (970)

	Thousands of U.S. dollars		
	As of March 31, 2011		
	Carrying value	Estimated fair value	Difference
Assets			
(1) Cash on hand and in banks	$ 361,947	$ 361,947	$ —
(2) Accounts receivable—installment sales	2,446,391		
Deferred profit on installment sales	(139,282)		
	2,307,109		
Allowance for doubtful accounts*1	(16,120)		
	2,290,989	2,316,121	25,132
(3) Accounts receivable—lease receivables and investment assets	15,102,713		
Estimated residual value*2	(471,811)		
	14,630,902		
Allowance for doubtful accounts*1	(48,718)		
	14,582,184	15,105,399	523,215
(4) Accounts receivable—loans	4,415,158		
Allowance for doubtful accounts*1	(28,428)		
	4,386,730	4,448,857	62,127
(5) Operational investment securities	281,876	281,876	—
(6) Short-term investment securities and investments in securities	237,862	237,862	—
(7) Claims provable in bankruptcy or rehabilitation	75,002		
Allowance for doubtful accounts*1	(32,630)		
	42,372	42,372	—
Total assets	$22,183,960	$22,794,434	$610,474
Liabilities			
(1) Notes and accounts payable—trade	$ 1,615,957	$ 1,615,957	$ —
(2) Short-term loans from banks	3,379,798	3,379,798	—
(3) Commercial paper	7,580,277	7,580,277	—
(4) Payables under securitized lease receivables	366,806	366,806	—
(5) Medium-term notes	18,040	17,964	76
(6) Long-term loans, principally from banks	9,103,622	9,164,006	(60,384)
(7) Long-term payables under securitized lease receivables	500,312	511,240	(10,928)
(8) Lease obligations	318,734	312,681	6,053
Total liabilities	$22,883,546	$22,948,729	$ (65,183)
Derivatives			
Hedge accounting applied	$ (767)	$ (767)	$ —
Hedge accounting not applied	(5,508)	(17,177)	(11,669)
Total derivatives	$ (6,275)	$ (17,944)	$ (11,669)

*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 either market price or the prices provided by the counterparty financial institutions.
For information on securities by holding purpose, please refer to Note 6.

(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 values 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 securitized 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 9 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, 2011	
Description	Carrying value	
Unlisted shares	¥25,433	$305,869
Bonds	650	7,816
Trust beneficiary rights	7,105	85,443
Investments in limited partnerships, etc.	49,270	592,549
Total	¥82,458	$991,677

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 subsequent to March 31, 2011

	Millions of yen					
	As of March 31, 2011					
	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	¥ 30,096	¥ —	¥ —	¥ —	¥ —	¥ —
Accounts receivable—installment sales	75,517	45,896	39,881	18,339	10,880	12,904
Accounts receivable—loans	154,484	50,270	68,450	26,775	25,580	41,561
Operational investment securities:						
Available-for-sale securities with maturities						
(1) Bonds	1,845	1,984	7,009	2,069	334	32
(2) Other	5,117	1,000	2,593	700	353	900
Short-term investment securities and investments in securities:						
Available-for-sale securities with maturities						
(1) Bonds	—	—	—	—	—	—
(2) Other	4,000	—	—	—	—	—
Total	¥271,059	¥99,150	¥117,933	¥47,883	¥37,147	¥55,397

	Thousands of U.S. dollars					
	As of March 31, 2011					
	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	$ 361,947	$ —	$ —	$ —	$ —	$ —
Accounts receivable—installment sales	908,197	551,964	479,629	220,557	130,848	155,196
Accounts receivable—loans	1,857,900	604,574	823,215	322,003	307,633	499,833
Operational investment securities:						
Available-for-sale securities with maturities						
(1) Bonds	22,188	23,859	84,294	24,879	4,024	381
(2) Other	61,546	12,026	31,182	8,419	4,239	10,824
Short-term investment securities and investments in securities:						
Available-for-sale securities with maturities						
(1) Bonds	—	—	—	—	—	—
(2) Other	48,105	—	—	—	—	—
Total	$3,259,883	$1,192,423	$1,418,320	$575,858	$446,744	$666,234

The redemption schedule for long-term debt and lease receivables and lease investment assets are disclosed in Note 8 and Note 14, respectively.

17. 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
Current assets	¥1,045,256
Non-current assets	112,746
Total assets	1,158,002
Current liabilities	678,077
Non-current liabilities	426,778
Total liabilities	1,104,855
Net assets	¥ 53,147

18. 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 24, 2010) Annual general meeting of shareholders	Common stock	¥1,919 $23,080	¥18.0 $0.22	March 31, 2010	June 25, 2010
(November 4, 2010) Board of directors	Common stock	¥2,026 $24,362	¥19.0 $0.23	September 30, 2010	December 10, 2010

(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	¥14.0	March 31, 2009	June 18, 2009
(November 9, 2009) Board of directors	Common stock	¥1,493	¥14.0	September 30, 2009	December 10, 2009

(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 23, 2011) Annual general meeting of shareholders	Common stock (Retained earnings)	¥2,239 $26,926	¥21.0 $0.25	March 31, 2011	June 24, 2011

19. 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.

20. Segment Information

1. Overview of Reportable Segments

The reportable segments of the Company are constituent units for which separate financial information can be obtained and regularly examined by the board of directors to determine the allocation of management resources and evaluate business performance.

The Company is primarily engaged in the leasing and installment sales businesses. The Company also provides financial services that are related to these businesses. The reportable segments are therefore divided into "Leasing and Installment Sales Business" and "Financing Business."

The "Leasing and Installment Sales Business" involves the leasing of information and office equipment, industrial machinery and equipment, etc., for commercial and service purposes (including sales of items resulting from the maturation of leasing agreements and mid-term cancellations) and installment sales. The "Financing Business" involves the extension of monetary loans and investment operations, etc., related to capital investments in securities for investment purposes and anonymous associations.

2. Calculation Method for Amounts for Revenues, Profit or Loss, Assets, Liabilities and Other Items by Reportable Segment

The accounting method for reportable business segments is the same as stated under "Summary of Significant Accounting Policies."

3. Information on Revenues, Profit or Loss, Assets, Liabilities and Other Items by Reportable Segment

	Millions of yen				
	Year ended March 31, 2011				
	Reporting segment				
	Leasing and installment sales	Finance	Subtotal	Other	Total
Operating revenues					
Revenue from customers	¥ 693,039	¥ 13,211	¥ 706,250	¥6,932	¥ 713,182
Intersegment revenue	—	—	—	441	441
Total sales	693,039	13,211	706,250	7,373	713,623
Segment profit	¥ 43,483	¥ 4,877	¥ 48,360	¥1,342	¥ 49,702
Segment assets	¥1,638,839	¥458,926	¥2,097,765	¥9,166	¥2,106,931
Others					
Depreciation	¥ 26,847	¥ —	¥ 26,847	¥ —	¥ 26,847
Increase in property and equipment and intangible assets	29,420	—	29,420	—	29,420

	Thousands of U.S. dollars				
	Year ended March 31, 2011				
	Reporting segment				
	Leasing and installment sales	Finance	Subtotal	Other	Total
Operating revenues					
Revenue from customers	$ 8,334,816	$ 158,880	$ 8,493,696	$ 83,369	$ 8,577,065
Intersegment revenue	—	—	—	5,308	5,308
Total sales	8,334,816	158,880	8,493,696	88,677	8,582,373
Segment profit	$ 522,943	$ 58,661	$ 581,604	$ 16,143	$ 597,747
Segment assets	$19,709,427	$5,519,260	$25,228,687	$110,231	$25,338,918
Others					
Depreciation	$ 322,876	$ —	$ 322,876	$ —	$ 322,876
Increase in property and equipment and intangible assets	353,817	—	353,817	—	353,817

	Millions of yen				
	Year ended March 31, 2010				
	Reporting segment				
	Leasing and installment sales	Finance	Subtotal	Other	Total
Operating revenues					
Revenue from customers	¥ 741,221	¥ 11,764	¥ 752,985	¥5,689	¥ 758,674
Intersegment revenue	—	—	—	655	655
Total sales	741,221	11,764	752,985	6,344	759,329
Segment profit	¥ 36,196	¥ 1,074	¥ 37,270	¥1,226	¥ 38,496
Segment assets	¥1,692,170	¥337,503	¥2,029,673	¥4,882	¥2,034,555
Others					
Depreciation	¥ 25,576	¥ —	¥ 25,576	¥ —	¥ 25,576
Increase in property and equipment and intangible assets	23,552	—	23,552	—	23,552

4. Difference between the Total of Reporting Segment and the Amounts on the Consolidated Financial Statements and Details for Difference (The matter for the reconciliation of the difference)

	Millions of yen		Thousands of U.S. dollars
Revenues	**2011**	2010	**2011**
Reporting segment total	¥706,250	¥752,985	$8,493,696
Revenues attributable to other segment	7,373	6,344	88,677
Intersegment eliminations	(441)	(655)	(5,308)
Revenues on consolidated statements of income	¥713,182	¥758,674	$8,577,065

	Millions of yen		Thousands of U.S. dollars
Profit	**2011**	2010	**2011**
Reporting segment total	¥48,360	¥37,270	$581,604
Profit attributable to other segment	1,342	1,226	16,143
Intersegment eliminations	(441)	(655)	(5,308)
General and administrative expenses not attributable to reporting segment	(8,227)	(7,546)	(98,940)
Operating income on consolidated statements of income	¥41,034	¥30,295	$493,499

	Millions of yen		Thousands of U.S. dollars
Assets	**2011**	2010	**2011**
Reporting segment total	¥2,097,765	¥2,029,673	$25,228,687
Assets attributable to other segment	9,166	4,882	110,231
Assets not attribute to reporting segment	77,668	98,337	934,080
Total assets on consolidated balance sheets	¥2,184,599	¥2,132,892	$26,272,998

	Millions of yen							
	Reporting segment total		Other		Adjustments		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
Others								
Depreciation	¥26,847	¥25,576	¥—	¥—	¥2,727	¥2,050	¥29,574	¥27,626
Increase in property and equipment and intangible assets	29,420	23,552	—	—	3,832	3,216	33,252	26,768

	Thousands of U.S. dollars			
	Reporting segment total	Other	Adjustments	Consolidated
	2011	**2011**	**2011**	**2011**
Others				
Depreciation	$322,876	$—	$32,794	$355,670
Increase in property and equipment and intangible assets	353,817	—	46,084	399,901

Information by products and services

	Millions of yen					
	March 31, 2011					
	Finance lease	Operating lease	Installment sales	Finance	Other	Total
Revenue from customers	**¥540,063**	**¥58,862**	**¥94,114**	**¥13,211**	**¥6,932**	**¥713,182**

	Thousands of U.S. dollars					
	March 31, 2011					
	Finance lease	Operating lease	Installment sales	Finance	Other	Total
Revenue from customers	**$6,495,047**	**$707,909**	**$1,131,860**	**$158,880**	**$83,369**	**$8,577,065**

	Millions of yen					
	March 31, 2010					
	Finance lease	Operating lease	Installment sales	Finance	Other	Total
Revenue from customers	¥563,967	¥71,841	¥105,413	¥11,764	¥5,689	¥758,674

Geographical information

(a) Sales

Information by geographic segment is not disclosed since sales to third parties located in Japan for the years ended March 31, 2011 and 2010 represented more than 90% of the consolidated sales for the respective years.

(b) Property and equipment

Information by geographic segment is not disclosed since the amount of property and equipment located in Japan for the years ended March 31, 2011 and 2010 represented more than 90% of the consolidated property and equipment for the respective years.

Information by main customer

Information by main customer for the years ended March 31, 2011 and 2010 is not disclosed due to no third party customer to which sales volume consisted 10% or more of the consolidated sales.

21. Amounts Per Share

	Millions of yen		U.S. dollars
	2011	2010	**2011**
Net assets	**¥1,594.57**	¥1,410.61	**$19.18**
Net income	**221.80**	239.57	**2.67**

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, 2011 and 2010 was 106,613 and 106,616 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.

22. Subsequent Events

The Company issued the first unsecured bond (with an inter-bond *pari passu* clause) on June 3, 2011. The details are as follows:

(a) Total amount issued: ¥20,000 million ($240,529 thousand)
(b) Issuance price: ¥100 ($1.20) per ¥100 ($1.20) of face value
(c) Interest rate: 0.6% per annum
(d) Redemption price: ¥100 ($1.20) per ¥100 ($1.20) of face value
(e) Redemption date: June 3, 2014
(f) Payment date: June 3, 2011
(g) Collateral:
This bond is without any collateral or guaranty and there are no assets reserved for this debenture.
(h) Application of the fund:
Funds are intended to be used for the purchase of property and equipment including leased property by the end of June 2011.

REPORT OF INDEPENDENT AUDITORS

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, 2011 and 2010, and the related consolidated statements of income, comprehensive 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, 2011 and 2010, 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.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 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.

June 17, 2011 Ernst & Young ShinNihon LLC

MAIN SUBSIDIARIES AND AFFILIATES

Consolidated Subsidiaries (Domestic)

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.
Shimbashi Kikuei Bldg., 5-13-1 Shimbashi, Minato-ku,
Tokyo 105-0004
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
Shinmakicho Bldg., 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

TCI FINANCE CORPORATION
FUJISOFT Bldg., 3 Kanda-neribeicho, Chiyoda-ku,
Tokyo 101-0022
Telephone: 81-3-5209-6025
Date Founded: July 2011
Paid-in Capital: ¥100 million
Voting Shares: 60%
Main Business Operations: Finance business for ITOCHU Group

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 or for the Group

Consolidated Subsidiaries (Overseas)

CENTURY TOKYO LEASING CHINA CORPORATION
Unit B1, B2, B3, 28F V-Capital Building, No. 333 Xianxia Road, Changning District, Shanghai, P.R.C. 200336*
Telephone: 86-21-6237-0066
Date Founded: July 2006
Paid-in Capital US$47,500 thousand
Voting Shares: 80%
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: RM26,523 thousand
Voting Shares: 100%
Main Business Operations: General leasing

PT. CENTURY TOKYO LEASING INDONESIA
Wisma Keiai 11th Floor, Jl. Jend. Sudirman Kav. 3
Jakarta 10220, Indonesia
TEL 62-21-572-3411
Date Founded: February 2011
Paid-in Capital: Rp100,000 million
Voting Shares: 85%
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 million
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

*From October 10, 2011

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

NIPPON RENT-A-CAR SERVICE, INC.
5-5 Kamiyama-cho, Shibuya-ku, Tokyo 150-8515
Telephone: 81-3-3468-7111
Date Founded: March 1969
Paid-in Capital: ¥720 million
Voting Shares: 20%
Main Business Operations: Automobile rental and 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 million
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: THB60 million
Voting Shares: 49%
Main Business Operations: General leasing

STOCK INFORMATION/BOND RATINGS

AS OF MARCH 31, 2011

Transfer Agent: Mizuho Trust & Banking Co., Ltd.

Stock Listing: Tokyo Stock Exchange, First Section

Securities Code: 8439

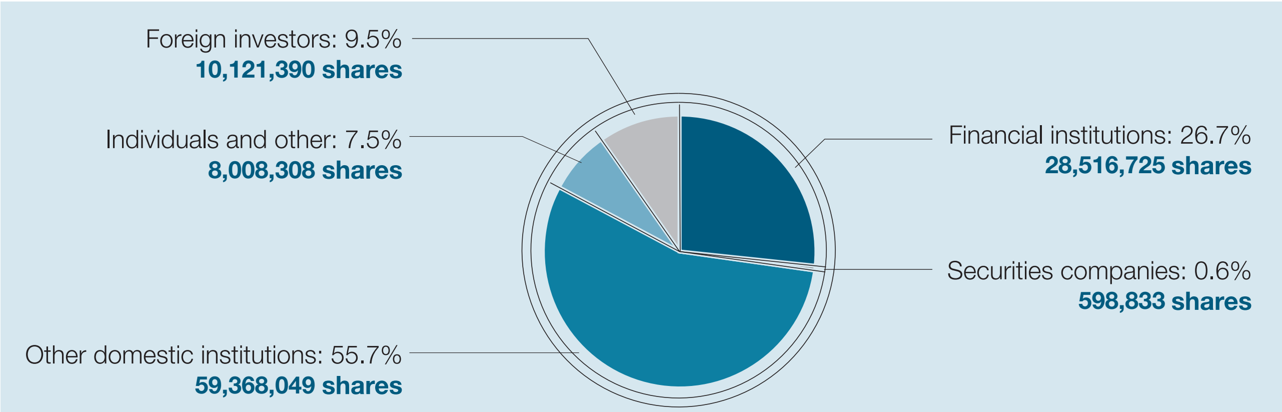
Trading Lot Size: 100 shares

Number of Common Stock Authorized: 400,000,000 shares

Number of Common Stock Issued: 106,624,620 shares

Number of Shareholders: 12,157

Breakdown of Shareholders



Excluding 11,315 shares of treasury stock

Major Shareholders

Shareholders	Number of shares held (1,000 shares)	Percentage of shares outstanding (%)*
ITOCHU Corporation	21,523	20.2
(As of May 26, 2011)	(26,656)	(25.0)
Nippon Tochi-Tatemono Co., Ltd.	11,214	10.5
KSO Co., Ltd.	9,963	9.3
Nippon Life Insurance Company	5,386	5.1
(As of May 31, 2011)	(2,234)	(2.1)
Mizuho Corporate Bank, Ltd.	4,649	4.4
Nissin Tatemono Co., Ltd.	3,537	3.3
Japan Trustee Services Bank, Ltd. (Trust accounts)	3,348	3.1
Seiwa Sogo Tatemono Co., Ltd.	2,972	2.8
The Master Trust Bank of Japan, Ltd. (Trust accounts)	2,515	2.4
Kanyu Enterprise Co., Ltd.	2,327	2.2

*Percentage of shares outstanding (%) is calculated after deducting 11,315 shares of treasury stock.

Bond Ratings (As of January 31, 2011)

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 Issue Period: Two Years Beginning February 8, 2010	(Preliminary Rating for Bonds Registered for Issuance)* Rating: A$^-$ Expected Issue Amount: ¥150 billion Issue Period: Two Years Beginning February 8, 2010
	(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

*Each receivable will be rated by each rating company upon issuance.

CORPORATE INFORMATION

AS OF MARCH 31, 2011

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
1,715 (1,158 on a non-consolidated basis)

Closing of Accounts
March 31

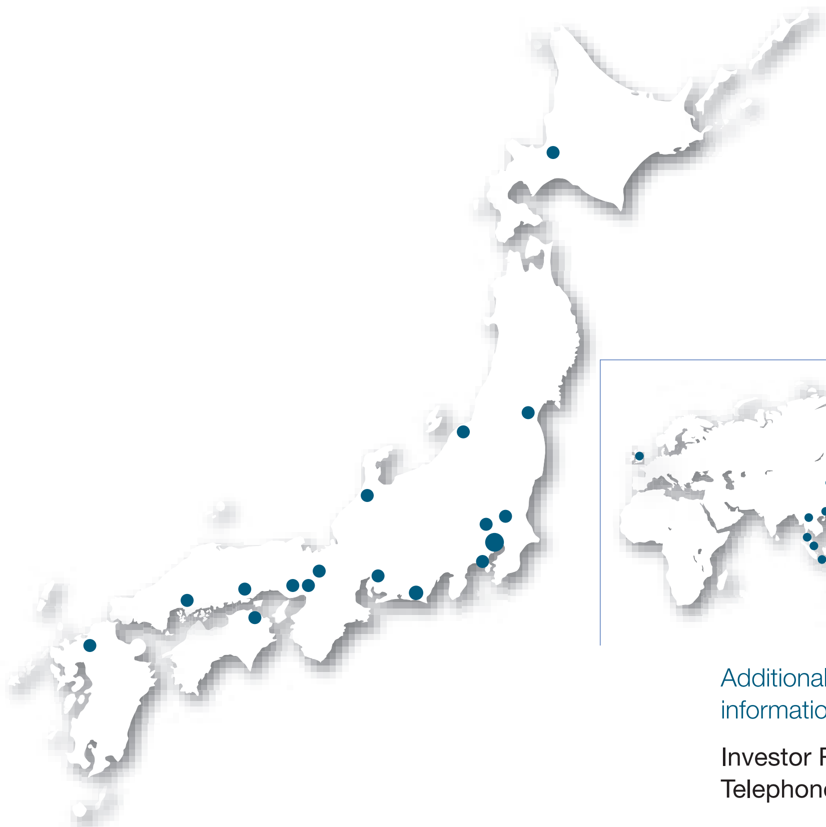
Major Banks
Mizuho Corporate Bank, Ltd.; Nippon Life Insurance Company; The Sumitomo Trust & Banking Co., Ltd.; Mitsubishi UFJ Trust and Banking Corporation; The Norinchukin Bank; Asahi Mutual Life Insurance Company

Independent Auditor
Ernst & Young ShinNihon LLC

Network

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

Overseas
Shanghai, Beijing, Guangzhou, Hong Kong, Taipei, Bangkok, Kuala Lumpur, Singapore, Jakarta, 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

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VEGETABLE OIL INK

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