



Century Tokyo Leasing Corporation

Create New Business with LEASING

Annual Report 2012



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.

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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

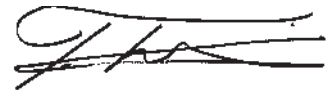
Century Tokyo Leasing Corporation is a comprehensive leasing company. It is a unique entity involved in a wide variety of business activities, including the mainstay leasing and installment sale of information and communications equipment as well as automobiles and the financing of real estate, vessels and aircraft. The operations of the Company are underpinned by a strong lineup of major shareholders—including the Mizuho Financial Group, which boasts financing functions and a robust customer foundation, as well as ITOCHU Corporation, which is distinguished by its quality information resources and business development capabilities. Outside of Japan, Century Tokyo Leasing is equally active and maintains an industry-leading overseas network. As a Group, Century Tokyo Leasing works closely with several leading manufacturers, including Fujitsu Limited, IHI Corporation and Shiseido Co., Ltd., striving to expand each of these companies' business and customer platforms.

In the fiscal year ended March 31, 2011 (fiscal 2010), the Century Tokyo Leasing Group put in place a three-year medium-term management plan based on its "evolution scenario for maximizing merger synergies and moving to the next stage of growth." Under this plan, the Group continues to reinforce management as well as its sales base. In the fiscal year under review, the Company established a joint-venture finance subsidiary with ITOCHU Corporation to primarily service the needs of companies within the ITOCHU Group. We also set up the Environment & Energy Finance Division and have commenced business activities in the renewable energy field, including those related to sunlight and other natural sources. Marking another milestone, we invested capital in Jetstar Japan Co., Ltd., a low-cost carrier (LCC), with the aim of entering the aircraft business in

earnest. To expand our global business, we established an eight-base structure in China as a part of efforts to increase profitability in China and Asia. Moreover, Century Tokyo Leasing has reached an agreement with the Tata Group to pursue collaborative ties in the leasing business in India. With a focus on Asia that encompasses China, Hong Kong, Taiwan, Thailand, Malaysia, Singapore, Indonesia and India, and together with offices in Europe and the United States, the Company is accelerating its global business development endeavors through an overseas network of 19 bases in nine countries and regions.

According to industry statistics, leasing investment in Japan increased for the first time in five years. Based on recent trends, the overall market is expected to remain stable. Under these circumstances, and while continuing to position highly profitable leasing and installment sales activities in Japan as the cornerstone of its business, Century Tokyo Leasing will aggressively expand its endeavors in the growth financing and overseas business fields in an effort to take a significant leap forward to the next stage of growth as a comprehensive solution-oriented finance service company.

As we work toward achieving our established goals, we kindly request the continued support and understanding of all stakeholders.



Chairman & Co-CEO **Toshihito Tamba**



President & CEO **Shunichi Asada**

FINANCIAL HIGHLIGHTS

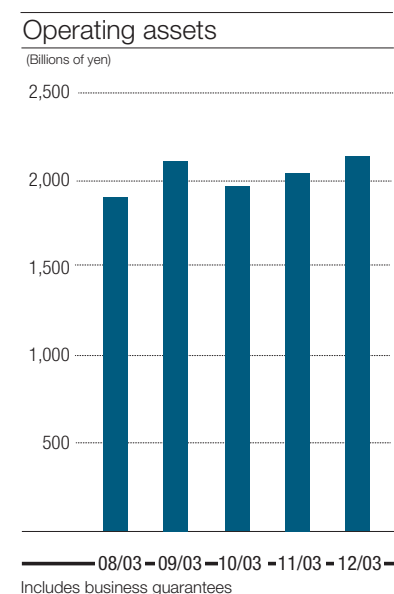
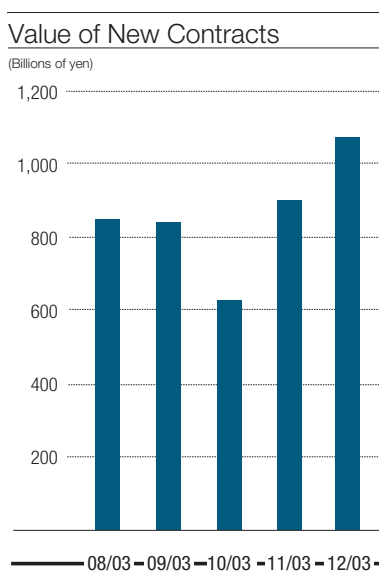
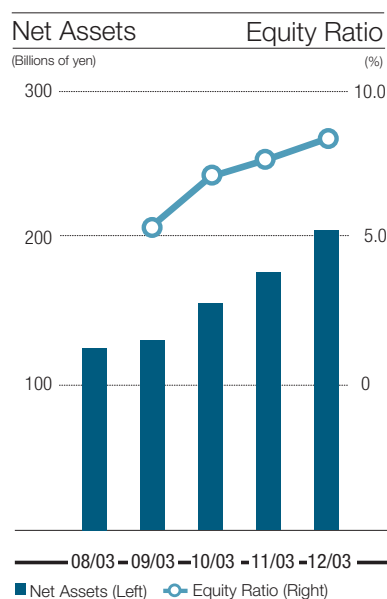
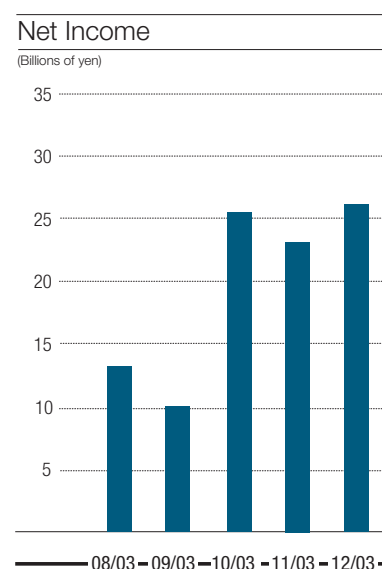
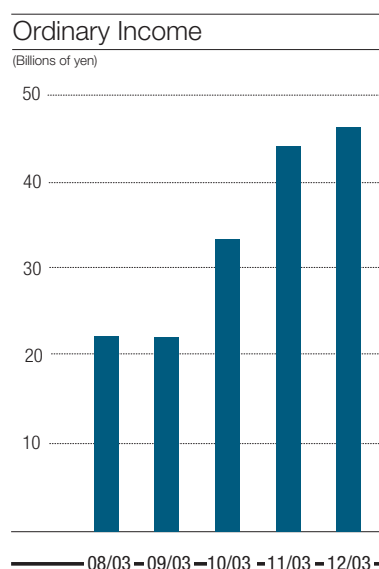
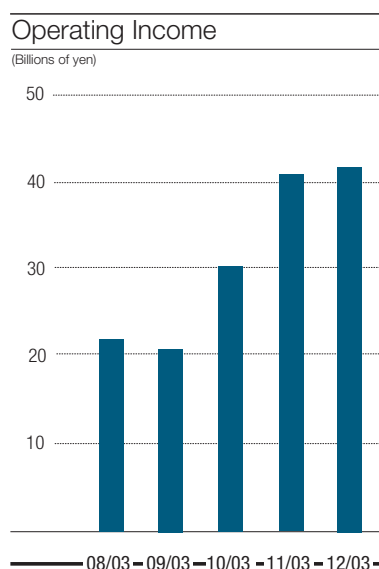
Century Tokyo Leasing Corporation and Consolidated Subsidiaries
Years ended March 31

Create New Business

Through collaboration — Gain opportunity for growth**For a more enjoyable life** — Support new industry**Use renewable energy** — Achieve sustainable development**With leasing** — Promote global expansion

	Millions of yen		Thousands of U. S. dollars
	2011	2012	2012
Operating Results			
— Revenues	¥ 713,182	¥ 716,342	\$ 8,720,990
— Operating income	41,034	41,878	509,834
— Ordinary income			
(Income before extraordinary items and income taxes)	44,170	46,252	563,092
— Net income	23,646	26,194	318,898
Financial Condition			
— Total assets	¥ 2,184,599	¥ 2,260,389	\$ 27,518,737
— Operating assets, including business guarantees	2,049,804	2,143,217	26,092,251
Business guarantees	26,081	48,815	594,290
— Interest-bearing debt	1,741,897	1,783,173	21,708,950
— Net assets	178,752	201,272	2,450,353
Per Share Data			
	Yen		U. S. dollars
— Net income	¥ 221.80	¥ 245.82	\$ 2.99
— Net assets	1,594.57	1,796.62	21.87
— Dividends	40.00	44.00	0.54
Significant Indicators			
	%		
— Return on equity (ROE)	14.8	14.5	
— Return on assets (ROA)	2.0	2.1	
— Equity ratio	7.8	8.4	

Note: Translated at ¥82.14 = US\$1.00, the approximate rate of exchange on March 31, 2012.



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

A MESSAGE FROM THE CEO

**From owning to using—
grasping the opportunities that
come with each changing era
by creating new businesses
through leasing**



Achieving Record-High Profits by Reinforcing Management and the Sales Base



Despite signs of modest economic recovery in Japan, the business environment remains difficult and shrouded in uncertainty due to such factors as prolonged appreciation in the value of the yen, delays in any positive turnaround in the United States and financial instability in Europe. Under these circumstances, the Century Tokyo Leasing Group continued to reinforce management and its sales base throughout fiscal 2011, ended March 31, 2012, the second year of its three-year medium-term management plan.

In the fiscal year under review, the value of new contracts executed climbed ¥178.8 billion, or 20%, year on year to ¥1,072.7 billion. The balance of operating assets, including business guarantees, rose ¥93.4 billion, or 4.6%, compared with the previous fiscal year-end to ¥2,143.2 billion. The financing business in particular contributed to asset growth. Financing business assets comprised 27% of the Company's total assets, up 4.0 percentage points compared with the previous fiscal year-end.

In terms of results, Century Tokyo Leasing reported record-high operating income, ordinary income and net income. In specific terms, operating income edged up ¥0.8 billion, or 2.1%, year on year to ¥41.9 billion mainly due to low funding costs and a decline in the allowance for doubtful accounts. Ordinary income reached ¥46.3 billion, an increase of ¥2.1 billion, or 4.7%. Net income grew ¥2.5 billion, or 10.8%, to ¥26.2 billion.

Quantitative Targets of the Medium-Term Management Plan Largely Achieved



Supported by positive trends in business results, in fiscal 2011 Century Tokyo Leasing achieved its medium-term management plan targets for ordinary income and operating assets ahead of schedule. Under our three-year plan, our goals were to achieve ordinary income of ¥35.0 billion or more and operating assets of ¥2,000 billion or more by the fiscal year ending March 31, 2013. Turning to the shareholders' equity ratio target of 8.5% or more, Century Tokyo Leasing reported a ratio of 8.4% for the fiscal year under review, up 0.6 of a percentage point year on year. Moreover, the ratio of ordinary income to total assets (ROA) edged up 0.1 of a percentage point to 2.1% while the ratio of net income to shareholders' equity (ROE) remained strong at 14.5%, a slight decline 0.3 of a percentage point.



Q. What are your thoughts on the Company's performance in fiscal 2011 and the business environment?

A. In fiscal 2011, Century Tokyo Leasing reported a 20.0% year-on-year increase in the value of new contracts executed to ¥1,072.7 billion. Contributing to this total, was robust 6.6% growth in the value of new leasing contracts executed, which reached ¥507.4 billion, or a 5.6% rise to ¥485.8 billion once the value of new leases executed overseas is deducted. Looking at the domestic industry as a whole, capital investment financed through leasing in Japan increased for the first time in five years. This represented a 1.3% upswing compared with the previous period to ¥4,168.2 billion, with the Central Tokyo Leasing Group holding an 11.7% market share. There are signs that the leasing market has bottomed out, and expectations are high that the industry will enjoy an extended period of stability in terms of its overall scope and size.

Turning to Japan's financial markets, interest rates are expected to remain suppressed. Short-term interest rates are projected to remain at their current low levels for the foreseeable future while medium- and long-term interest rates are expected to hover at around the current level. During the fiscal year under review, Century Tokyo Leasing worked diligently to lower its funding costs, focusing mainly on the issue of commercial paper and lifting its short-term financing ratio above 50%. At the same time, Century Tokyo Leasing took steps to diversify its fund procurement methods to address needs both in Japan and overseas. In addition to the issue of straight corporate bonds, the Company undertook an issue denominated in renminbi. Moreover, buoyed by a sound operating asset portfolio underpinned by a stringent credit determination process, the Company's credit costs were held to virtually zero. Taking into consideration the Company's successful efforts to curtail operating costs, including funding costs and the allowance for doubtful accounts, Century Tokyo Leasing reported a second consecutive year of record-high profits in fiscal 2011.

Q. Please tell us about the Company's growth strategy.

A. The Central Tokyo Leasing Group's leasing and installment sales business boasts know-how in the provision of services related to tangible assets nurtured over many years and is a highly profitable core business. Looking at the leasing business by type of asset, the Group reported an increase of 12.1% to ¥272.4 billion in mainstay information and communications equipment in fiscal 2011, while the industry averaged a rise of only 1.5% to ¥1,504.8 billion. Based on these figures, the Century Tokyo Leasing Group accounts for 18.1% of the market. In addition, revenues from construction machinery surged 35.6% year on year on the back of reconstruction demand following the Great East Japan Earthquake while revenues from transportation equipment and medical devices were also up compared with the previous fiscal year.

Looking ahead, through a variety of initiatives including M&A, the Group will continue to maintain or slightly increase its operating assets in the leasing and installment sales business in Japan, which is distinguished by stable earnings. At the same time, we will steadily build up our operating assets by focusing on the financing business, which requires a significant level of specialist expertise, as well as our international operations, which we have positioned as a growth field.

Risk is inherent to any business activity. On the other hand, inactivity also gives rise to risk. Failure to accelerate activities in China and Asia, for example, will more than likely lead to increased risk in the long term. While the economic growth rate in China is increasingly showing signs of a slight slowdown, at its current level of between 7% and 8%, there remains ample room for further business expansion. We plan to shift firmly toward areas of growth and to adopt every possible measure as a part of efforts to transition to the next stage of growth.



Q. Please tell us about specific measures aimed at expanding the Group's business domain.

A. In the fiscal year under review, we took concrete steps toward expanding our business domain in line with the basic policy identified in our medium-term management plan.

In Japan, we established a joint venture with ITOCHU Corporation to expand finance services for the ITOCHU Group. We also set up the Environment & Energy Finance Division to bolster our activities in other fields, including the environment and energy, that are expected to experience strong growth. In the lead up to the introduction of the feed-in-tariff (FIT) system for renewable energy in July 2012, we are working diligently to gather all relevant information. Also, against the backdrop of growing concerns about the electric power supply shortfall, we are endeavoring to address the social need for energy diversification by providing leasing or financing for renewable energy systems, including solar power as well as low-carbon thermal energy generation facilities. Furthermore, we acquired an equity interest representing 16.7% of the total voting rights of LCC Jetstar Japan Co., Ltd. In addition to providing lease financing for that company's acquisition of Airbus A320 aircraft, equity participation has allowed us to gain invaluable know-how in the aircraft business and to further bolster activities in the aircraft leasing or financing business.

Overseas, the Century Tokyo Leasing Group is continuing to move forward with the steady expansion of its network throughout Asia. We began operations at a local subsidiary in Indonesia, and we now have a network of eight operating bases in China. Looking to establish a firm foothold in the market of India where demand is projected to grow, we executed a letter of intent with Tata Capital, a member of India's largest corporate group, as a first step toward forming a business alliance in the leasing business. In the future, we plan to establish a joint-venture company with Tata capital. The Century Tokyo Leasing Group has established an unrivalled and finely-tuned overseas network. Moving forward, we will continue to build overwhelming competitive advantage by placing increased emphasis on overseas business expansion.

Q. What are your aspirations with regard to the equity interest in Jetstar Japan and the business alliance with Tata Capital?

A. The aircraft business is an extremely substantial operating field and as such can become a mainstay business for any leasing company. Our decision to acquire an equity interest in Jetstar Japan was based on the need to ensure that ongoing business proceeded as smoothly as possible. By participating in that company's management, we will gain invaluable know-how in the aircraft business. Moreover, this initiative allows us to address Jetstar Japan's leasing or financing needs and to contribute to the further expansion of Jetstar Japan's business by utilizing both our resources and our customer base, with whom we maintain close ties.

The business alliance with Tata Capital was undertaken in recognition of the difficulties in pursuing business development in the Indian market as an independent entity. We are confident that the Tata Group is an outstanding partner and we have high hopes for our business prospects in India. Substantial demand growth for lease financing is expected in this promising market due to a variety of factors, including plans for sustained major infrastructure development, changes in the tax system and expanding opportunities for capital investment. Buoyed by the execution of the Comprehensive Economic Partnership Agreement (CEPA), Japanese companies are expected to step up efforts to establish production and sales bases in this lucrative market, which will bring an upswing in capital investment financing needs. In addition to addressing these needs, the Century Tokyo Leasing Group plans to expand its leasing business by also targeting non-Japanese companies as well as public authorities, focusing mainly on the six core fields of construction machinery, medical devices, temporary power, railway freight cars, IT equipment, and environmental- and energy-related equipment.



Q. Please tell us about the status of initiatives in the financing field.

A. Financing business operating assets stood at ¥579.5 billion as of March 31, 2012. This represented 27% of the Company's total operating assets, up 4.0 percentage points compared with the previous fiscal year-end. This figure could rise to between 35% and 40% within the next five years.

In the financing sector, and as a corporate group that is well versed in business matters related to tangible assets, the financing of real estate, vessels and aircraft as well as environmental-, energy-, medical- and welfare-related equipment is an area of particular expertise well suited to our skills and expertise. A distinguishing feature of our financing business is the relative freedom that we enjoy and our ability to work outside the strict confines of the Banking Act. As a result, we are able to own assets in our own right and, by extension, to manage operating companies. In this regard, our business has steadily evolved in recent years, shifting away from purely financing operations and increasingly toward functioning as an operating company.

Q. Please tell us about Century Tokyo Leasing's overseas business development endeavors.

A. Since it first entered the Hong Kong market in 1972, the Century Tokyo Leasing Group has been quick to spread its wings throughout Asia. Currently, the Group is active across four geostrategic regions and countries—East Asia (China and Taiwan), ASEAN countries (Thailand, Malaysia, Singapore and Indonesia), India and Australia—as well as in New York and London.

In the fiscal year under review, we took steps to consolidate branches in Japan. This has allowed us the flexibility to shift management resources and personnel to our international operations, which are positioned as the chief area of future growth. We are placing particular emphasis on increasing profitability in China and Asia and have established 12 bases in East Asia, focusing mainly on the eight bases in China and four bases in the ASEAN region. In addition to India, where the Group has formed an alliance with the Tata Group, the Group's network in Asia spans seven countries and regions and comprises 17 bases. In total, our overseas network comprises 19 bases in nine countries and regions, including Europe and the United States.

In an effort to upgrade and expand our customer services, we entered into a business alliance with Singapore-based TES-AMM, a leading electronic waste recycler, allowing us to provide IT equipment recycling services to customers in China and the ASEAN region. We have also formed a business alliance with CSI Leasing, a major U.S.-based independent leasing company, to provide support to Japanese companies seeking to enter the markets of Central and South America.

The number of Group bases located overseas now exceeds the number in Japan. As a result, our industry-leading overseas network is the cornerstone of our global strategy. Operating conditions in each of the regions in which the Group operates remain robust, fueling considerable growth in our overseas operations. As of March 31, 2012, overseas operating assets stood at approximately ¥150.0 billion, an increase of 30% compared with the previous fiscal year-end. Of this amount, operating assets in Asia totaled around ¥90.0 billion, up 50%.

Performance Forecasts for Fiscal 2012

Over the past three years, the Group's performance has been bottom-line driven with efforts channeled primarily toward reducing funding and credit costs. In addition to reinforcing its structure and systems in the period following its merger, Century Tokyo Leasing has also taken steps to put in place various stepping stones to the future. Looking ahead, the Group will adopt an increasingly aggressive approach toward sales revenues, pursuing top-line profits with the aim of establishing an operating platform that is capable of generating profits irrespective of the business environment.

For fiscal 2012, the fiscal year ending March 31, 2013, the Central Tokyo Leasing Group is forecasting revenues of ¥700.0 billion, a year-on-year decrease of 2.3%. From a profit perspective, operating income is expected to reach ¥42.0 billion, a slight increase of 0.3%. Ordinary income is projected at ¥46.5 billion, up 0.5%, and net income at ¥27.0 billion, up 3.1%.

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 ¥4 per share to ¥44 per share for a dividend payout ratio of 17.9%. In fiscal 2012, we plan to lift the annual dividend a further ¥2 per share to ¥46 per share for a dividend payout ratio of 18.1%. Based on these payments, the Group will have successfully increased its annual dividend for nine consecutive periods since fiscal 2004.

Aiming to increase dividends and raise the payout ratio, we will strive to further return profits to shareholders.

Undertaking a Paradigm Shift as a New Leasing Company

The leasing of tangible assets alone is unlikely to provide significant added value and, by association, to foster close ties with customers. During lower interest rate periods, the purchase of items financed through loans from banks is particularly easy. This, in turn, substantially reduces the presence and standing of leasing companies. To date, leasing companies have maintained the characteristics of financial and, in particular, banking institutions operating from a broad customer base with limited specialist expertise. The defining feature of a leasing company is not its lending capability based on abundant funding resources, however, but its knowledge of the market based on the handling, owning and management of assets. As a result, and against the backdrop of a major value shift in business operations and people's lifestyles from an emphasis on simply owning assets to promoting their effective use, it is now imperative that we review the leasing function. From our perspective, it is important that we reinforce solution-oriented financing services with leasing. Breaking free from the confines of the finance and banking sector, it would be extremely advantageous to align the leasing sector more toward solution-oriented financing services that contribute to customers' businesses. This would entail a major paradigm shift in leasing operations to service-based activities, a fact that needs promotion both within and outside the industry.

Moving forward and increasingly toward this paradigm shift, we ask for your continued support and understanding.

SPECIAL FEATURE:
A New Global Era of Growth—Collaboration with the Tata Group



April 2012

The Century Tokyo Leasing Group will expand its business operations throughout Asia through a business alliance with Tata Capital in India, where further economic growth is expected.



Century Tokyo Leasing signed a letter of intent with Tata Capital Limited in April 2012 with the aim of forming a business alliance to promote leasing activities in India.

Looking ahead, the Indian market is projected to witness high rates of economic growth and increased consumption, while an increasing number of Japanese companies are looking to enter the market and to establish sales and manufacturing bases. Compared with developed countries like Japan, the ratio of leasing to total capital investment remains low in India. As such, the country is considered a promising market with significant untapped potential for lease demand growth.

The Tata group comprises over 100 operating companies in seven business sectors: communications and information technology, engineering, materials, services, energy, consumer products and chemicals. The group has operations in more than 80 countries across six continents, and its companies export products and services to 85 countries. The proposed arrangement with Tata Capital contemplates setting up an internal “Japan Desk” in its newly established Leasing Division, and Century Tokyo Leasing will second staff to it. Moving forward, plans are in place for Century Tokyo Leasing and Tata Capital to establish a joint-venture company. Building on these endeavors, every effort will be made to harness the business know-how in India of Tata Capital and the leasing and finance know-how as well as customer base of Century Tokyo Leasing. Leveraging the strengths of the two companies, the Japan Desk will address the local financing needs of both Japanese and non-Japanese companies.

Overview of Tata Capital Limited

Head Office:	Mumbai, India
Principal Shareholders:	Tata Sons Limited (90% or more)
Established:	September 2007

SPECIAL FEATURE:

A New Global Era of Growth—Capital Participation in Jetstar Japan Co., Ltd.



6 aircraft for Jetstar Japan

The Century Tokyo Leasing Group will enhance its expertise in the aircraft field and expand its business base as a long-term strategic partner of Jetstar Japan.



Century Tokyo Leasing invested capital in Jetstar Japan Co., Ltd., a low-cost carrier (LCC). This capital participation gives the Company an equity interest equivalent to 16.7% of Jetstar Japan's total voting rights by Century Tokyo Leasing.

Jetstar Japan, a member of the Jetstar Group, was established by several companies, including the Qantas Group and Japan Airlines Co., Ltd. Building on the success and know-how of the Jetstar Group in the Asia-Pacific region, Jetstar Japan is expected to experience substantial growth going forward.

As a business partner of Jetstar Japan, Century Tokyo Leasing will make the most of its accumulated know-how to address the aircraft operating lease, other financial and asset management outsourcing needs of that company. At the same time, the Century Tokyo Leasing Group will draw on its abundant customer base, which includes the Group's clientele, particularly the clients of corporate customers with whom the Group maintains close-knit ties and general consumers. By the same token, management participation will allow Century Tokyo Leasing to raise its level of expertise in the aircraft field while broadening its aircraft business base.

Overview of Jetstar Japan Co., Ltd.

Shareholders: Australia-based Qantas Group (33.3%),
Japan Airlines Co., Ltd. (33.3%)
Mitsubishi Corporation (16.7%),
Century Tokyo Leasing Corporation (16.7%)

Established: September 2011

SPECIAL FEATURE:
A New Global Era of Growth—Ota Mega Solar Business



Power output **1.5 MW**

Building on the Ota Mega Solar business as a model case, the Century Tokyo Leasing Group is helping to promote both increased awareness of renewable energy and its use.



On July 1, 2012, the Japanese government implemented its feed-in tariff (FIT) scheme. Under this scheme, power utilities are required to purchase electricity from applicable renewable energy sources at a fixed price. On the same day, operations commenced at Ota Solar Park, a solar power generation initiative launched by Ota City, Gunma Prefecture. The Ota Mega Solar Project represents Japan's first electric power sales business under the FIT scheme initiated by a local government authority. Century Tokyo Leasing was selected to provide leasing services under contracts that include maintenance service fees. With repayments sourced from the proceeds of electricity sales, ongoing business model continuity remains independent of local government finances.

Along with the review of energy supply sources in Japan that was prompted by the Great East Japan Earthquake, the implementation of the FIT scheme is providing considerable momentum for growth in power generation projects based on renewable energy including solar power.

Building on the Ota Mega Solar business as a model case, Century Tokyo Leasing will help promote both increased awareness of renewable energy and its use among local governments as well as ordinary companies, except conventional power companies.

Overview of the Project

Project name:	Ota Mega Solar Business
Power plant location:	Ota City, Gunma Prefecture
Type of solar cells employed:	10,560 CIS-type solar modules
Annual energy production:	Approximately 1,630,000 kWh (equivalent to the power consumption of about 446 average households)

SPECIAL FEATURE: A New Global Era of Growth—Expansion of Global Businesses

Century Tokyo Leasing's network in Asia



9 countries and regions worldwide

Century Tokyo Leasing will endeavor to expand its global businesses by increasing the number of bases while upgrading and expanding services.

The Century Tokyo Leasing Group is working to strengthen its overseas operations focusing mainly on China and the Asia region as a part of efforts to further develop its global business. Taking full advantage of its overseas network, which comprises 19 bases in nine countries and regions, the Group is providing leasing and financing business services to Japanese companies operating in a number of countries while promoting services that match the specific local needs of non-Japanese companies, including automobile leasing and financing services in Taiwan and Singapore as well as construction machinery leasing in China.

In December 2011, Century Tokyo Leasing entered into a business alliance with TES-AMM, a leading electronic waste recycler with specialist expertise in the information technology field. Under this alliance, steps are being taken to provide comprehensive services, including the collection and recycling of IT devices in China and other ASEAN regions. With this initiative, the Company has put in place a structure that is capable of appropriately addressing the IT device recycling needs of each country in compliance with specific standards and requirements. Harnessing the Group's accumulated experience and expertise in information and communications equipment leasing in Japan, Century Tokyo Leasing will bolster its global base in the information and communications equipment field, in which the Group maintains considerable strength.

Moreover, Century Tokyo Leasing entered into a business alliance with the major independent U.S.-based leasing company, CSI Leasing, Inc., which mainly handles IT equipment, in June 2012. With this initiative, the Company has established a robust support structure for Japanese companies seeking to develop business in Central and South America.

Striving to expand its global base, the Century Tokyo Leasing Group will work to upgrade and expand its services going forward.

Profile of TES-AMM

Head office location:	Singapore
Business operations:	Reuse and recycling of waste electronics and other
Date of establishment:	June 2005
Group companies:	29 bases (23 group companies)

Profile of CSI Leasing, Inc.

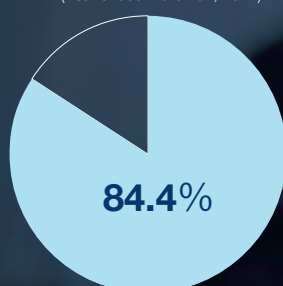
Head office location:	Missouri, U.S.A.
Business operations:	Leasing
Date of establishment:	August 1972
Group companies:	62 bases (23 countries and regions)

SEGMENT INFORMATION

Leasing/Installment Sales Business

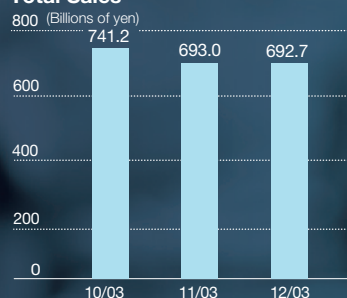
Breakdown of Sales Revenues
by Reporting Segment

(Year ended March 31, 2012)



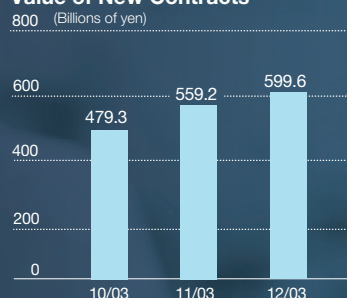
"Others" is not included in the above reporting segments

Total Sales

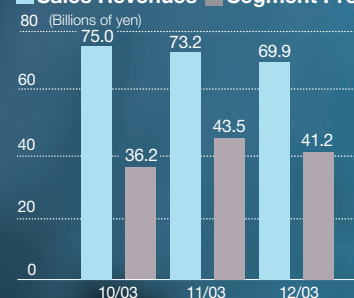


Total sales do not include intersegment transactions.

Value of New Contracts

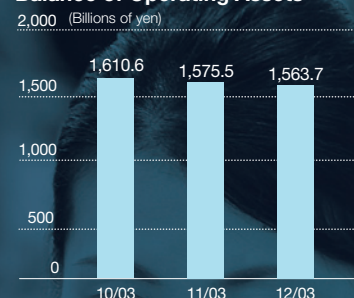


Sales Revenues Segment Profit



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

Balance of Operating Assets



Business Description

In the Leasing/Installment Sales business, Century Tokyo Leasing is engaged in a variety of transactions involving equipment and machinery used by customers in their business activities, ranging from information, communications 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.

Results

The value of new contracts executed grew 7.2% compared with the previous fiscal year to ¥599.6 billion. Leasing transactions increased 6.6% year on year to ¥507.4 billion while installment sales transactions climbed 11.0% to ¥92.2 billion. In addition to growth in demand for information and communications equipment, an area of particular strength in the Company's leasing business, and robust results in construction equipment that reflected a rise in construction demand following the earthquake disaster, these positive results are largely attributable to substantial expansion in auto leasing transactions and contributions from overseas subsidiaries.

Operating assets stood at ¥1,563.7 billion, a decrease of 0.7% compared with the end of the previous fiscal year. Of this, the balance of operating assets for leasing transactions contracted 0.6% year on year to ¥1,375.8 billion and that of installment sales transactions declined 2.0%

to ¥188.0 billion. However, in light of the growth in the value of new contracts executed, the balance of operating assets is expected to show a positive turnaround.

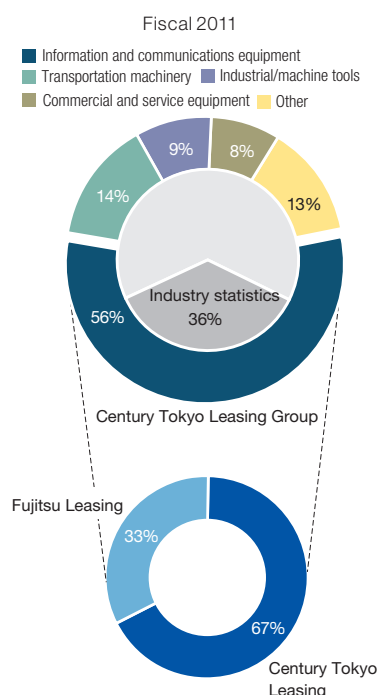
Accounting for these factors, total sales were ¥692.7 billion, essentially unchanged from the previous fiscal year. Sales revenues contracted 4.6% compared with the previous fiscal year to ¥69.9 billion while segment profit decreased 5.2% year on year to ¥41.2 billion.

Fundamental Strategy

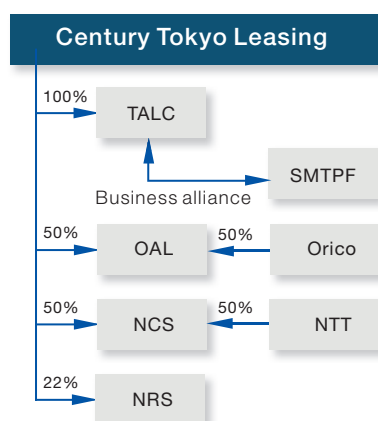
According to industry statistics, the amount of capital investment in the leasing business increased for the first time in five years, prompting expectations that the market would experience a measure of stability in terms of its overall scale. Under these circumstances, Century Tokyo Leasing will leverage its development capabilities in the information and communications equipment as well as auto leasing businesses in Japan, areas of particular strength for the Group, to boost its international operations, which are recognized as a field of considerable potential growth. Through these means, the Company will steadily build up the balance of its operating assets.

In addition, the Century Tokyo Leasing Group will continue to offer such diverse solutions 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, while extending beyond the simple leasing finance function to deliver high value-added leasing services. In this manner, the Group will strive to increase profitability.

The Volume of Information and Communications Equipment Handled as a Ratio of the Value of New Leasing Contracts Executed



Capital Relationship with Century Tokyo Leasing Corporation



Consolidated Subsidiaries

TALC: Tokyo Auto Leasing

OAL: Orico Auto Leasing

Equity-Method Affiliates

NCS: Nippon Car Solutions

NRS: Nippon Rent-A-Car service

Other

SMTPF: Sumitomo Mitsui Trust Panasonic Finance

NTT: Nippon Telegraph and Telephone

Orico: Orient Corporation

Percent figures indicate shareholding ratios of parent companies

Steady Trends in Information and Communications Equipment

Information and communications equipment leasing is the mainstay of the leasing business, with the value of new contracts executed in this field accounting for 56% of the value of new contracts executed for all equipment. In addition to substantially surpassing the industry average of 36%, the scale of Century Tokyo Leasing's information and communications equipment leasing business underpins its considerable 18% share of the market. Group company, Fujitsu Leasing Co., Ltd., accounts for 33% of the Group's business in this sector, significantly contributing to business growth in this field. A major strength of the Group in the information and communications equipment leasing field is its wide range of peripheral services, from kitting prior to equipment introduction to the recycling and resale of personal computers upon leasing contract termination. The Group's leasing activities therefore dovetail smoothly into its provision of high value-added services.

Advanced IT Services

Under its business alliance with Pro-Ship Incorporated, a company that boasts a leading market share in the property and equipment management field, Century Tokyo Leasing began marketing ProPlus for C-x, a cloud-type service offered in conjunction with the ProPlus series integrated asset management system, from October 2011. As a part of ongoing efforts to focus on the expansion of asset management services, this initiative to add the ProPlus package to Tokyo Leasing's existing C-x service menu makes it possible to implement accounting procedures for fixed assets and leased property and allows the Company to provide a one-stop service for the management of goods and contracts as well as asset related accountancy services.

Looking ahead, the Company will continue to enhance the utility value of its services as a specialist in asset management and work diligently to increase profitability.

Automobile Leasing and the Rental Car Business

A distinguishing feature of the Century Tokyo Leasing Group's Automobile Leasing business is its balanced approach toward business development and comprehensive service menu that caters to the automobile leasing and rental car needs of corporate and individual customers. In the fiscal year under review, gains on sales of vehicles increased due to an upswing in the prices of used cars. The Group's performance was also buoyed by a robust automobile leasing market for individual customers as well as contributions from Nippon Rent-A-Car Service Inc., which became an equity-method affiliate in March 2011. As a result, earnings in fiscal 2011 climbed 61% to ¥4.5 billion.

The number of vehicles under Group company management, particularly for individual customers, grew due mainly to the positive flow-on effects of various measures, including the government's eco-car subsidiary program and wide-ranging tax incentives. Accounting for these factors, the rate at which the number of vehicles is increasing stayed steady, with the total rising 17,000 compared with the end of the previous fiscal year to 419,000 as of March 31, 2012.

In April 2012, Century Tokyo Leasing established the Automobile Business Promotion Office in order to strengthen the planning function of the Automobile Leasing and Rental Car businesses in Japan and overseas and to enhance the Group's comprehensive prowess.

Automobile Leasing Business Performance Breakdown

	11/03	12/03	YoY increase (%)
Earnings (Billions of yen)	2.8	4.5	61
Total vehicles under Group management (Thousands of units)	402	419	4
No. under lease to individual customers (Thousands of units)	16	26	59

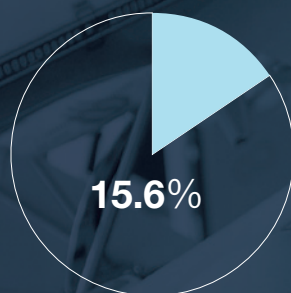
Earnings: Ordinary income of consolidated subsidiaries and equity-method income from an equity-method affiliate

SEGMENT INFORMATION

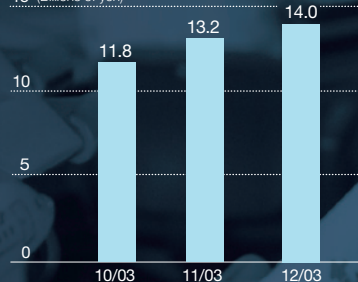
Financing Business

Breakdown of Sales Revenues
by Reporting Segment

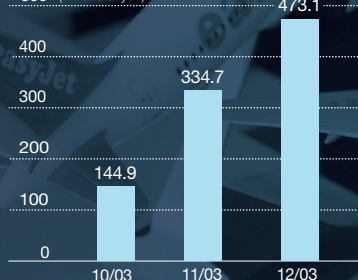
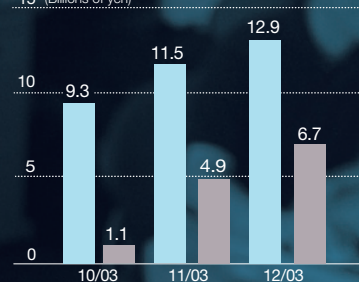
(Year ended March 31, 2012)



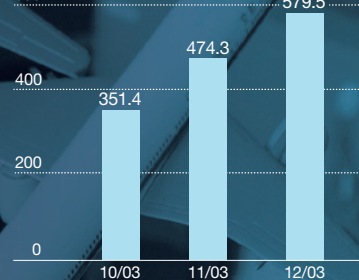
"Others" is not included in the above reporting segments

Total Sales
15 (Billions of yen)

Total sales do not include intersegment transactions.

Value of New Contracts
500 (Billions of yen)Sales Revenues Segment Profit
15 (Billions of yen)

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

Balance of Operating Assets
600 (Billions of yen)

Includes business guarantees

Business Description

In the Financing business, Century Tokyo Leasing provides a unique type of solution-oriented financing that focuses primarily on asset values for real estate, vessels and aircraft as well as the environmental and energy businesses. The Company also provides financial services to meet fund procurement needs, including 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 fiscal 2011. In addition, IHI Finance Support Corporation (IFS), which was included in the scope of consolidation in July 2010, contributed for the full fiscal year under review. Taking these factors into consideration, the total value of new contracts executed climbed 41.4% compared with the previous fiscal year to ¥473.1 billion.

Along with this growth, the balance of operating assets, including business guarantees, increased 22.2% year on year to ¥579.5 billion.

As a result, total sales expanded 6.2% to ¥14.0 billion. For the fiscal year under review, sales revenues climbed 11.8% to ¥12.9 billion and segment profit increased 37.0% to ¥6.7 billion.

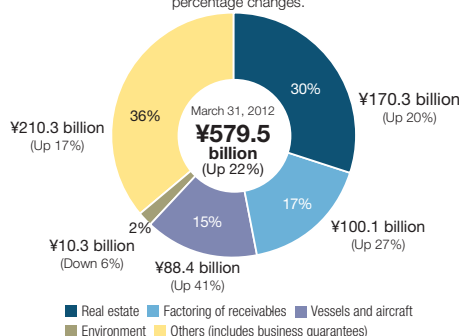
Fundamental Strategy

Century Tokyo Leasing has positioned the Financing business as a growth domain. In addition to its existing business fields of real estate, vessels and aircraft, the Company is reinforcing its financing activities in such areas as the environment and energy, food, agriculture, medicine and welfare. Century Tokyo Leasing is focusing on the development of new financing schemes that match the activities of a leasing company, which differ from bank finance, and is promoting increasingly diverse fund procurement methods for customers.

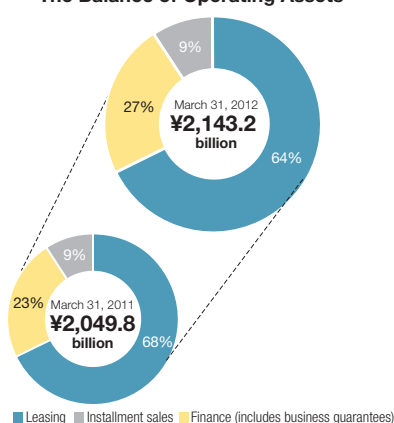
As of the end of the fiscal year under review, the balance of operating assets in the Financing business accounted for 27% of the Group's total consolidated operating assets, up from 23% at the previous fiscal year-end. While maintaining or slightly increasing the balance of operating assets in the Leasing /Installment Sales business, the Company's core business in Japan, Century Tokyo Leasing will work to boost operating assets by lifting the balance of financing assets.

The Balance of Operating Assets in the Financing Business

Figures in parentheses are year-on-year percentage changes.



The Balance of Operating Assets



Steady Growth in the Balance of Operating Assets

In contrast to financing that relies on the ability of individual companies to repay the debt incurred, Century Tokyo Leasing works to develop financing schemes that are unique to a leasing company, focusing mainly on the intrinsic value of each project and asset. The Company establishes specialist sales and marketing departments in each field and is steadily increasing the balance of its assets, buoyed by such favorable trends as the shift in the corporate-sector mindset from owing to using.

Real estate:

The principal focus of Century Tokyo Leasing's real estate financing is office buildings along with logistics and large commercial facilities owned and handled by blue-chip sponsor companies, including major real estate agencies. The Company largely provides non-recourse loans that are essentially repaid from cash flows, including rental revenue, generated by the real estate.

Vessels and aircraft:

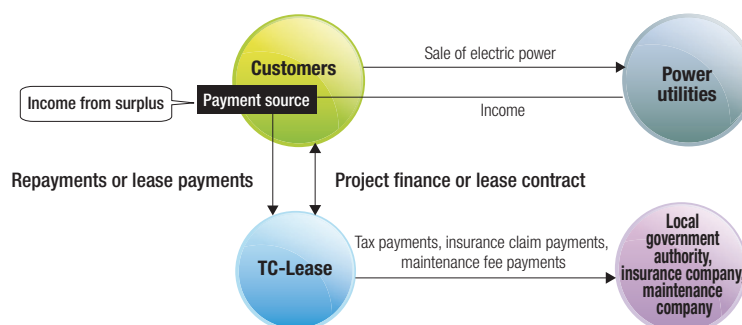
Century Tokyo Leasing offers financing for such vessels as bulk carriers, container ships and car carriers as well as for aircraft manufactured by The Boeing Company and Airbus S.A.S.

In its vessel financing activities, the Company focuses on leading vessel owners as well as charter companies. This helps to ensure the steady buildup of sound operating assets. In addition to addressing the financing needs of Jetstar Japan, in which Century Tokyo Leasing has taken up an equity interest, the Company is enhancing its expertise in the aircraft field by participating in Jetstar Japan's management. These activities are enabling Century Tokyo Leasing to upgrade and expand its aircraft business base.

Environment and energy:

For power generation projects, Century Tokyo Leasing provides project and lease financing that looks to the revenues generated from the sale of energy as the principal repayment source. Amid growing interest in such renewable energy sources as solar, wind, hydraulic and geothermal power generation, local government authorities and private-sector companies are continually entering the market, buoyed by the introduction of the feed-in tariff (FIT) system, which requires utilities to purchase electricity generated from renewable energy sources at a fixed price. Building on its proven track record and accumulated know-how in wind power generation, Century Tokyo Leasing will pursue growth in the environment and energy field.

Project Finance/Lease Contract Scheme



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, who 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 a board of corporate 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 the independence of its auditing activities. Corporate Auditors attend Board of Directors Meetings 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.

Independence of Management Oversight Structure

Century Tokyo Leasing appoints one external director who supervises corporate management from an independent point of view. 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. Of the Company's external corporate auditors, one is an external director as well as a designated independent officer as stipulated by the Tokyo Stock Exchange.

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 deliberates on particularly important matters concerning the execution of operations and makes decisions for the entire Group. In addition, various internal committees deliberate on management issues specific to their fields of responsibility with the results of deliberations reported at the Management Meeting.

Committees

Internal Control Committee

The Internal Control Committee deliberates on internal control matters generally in order to ensure that the Company's internal control structures and measures are functioning effectively. Deliberations encompass a wide range of matters, including the effectiveness and scope of evaluation with respect to the internal control of financial reporting.

Comprehensive Risk Management Committee

In addition to deliberating on a wide variety of risk measurement methods and other important matters related to the establishment of a risk management structure that is capable of addressing every possible risk that the Company may confront, the Comprehensive Risk Management Committee regularly evaluates the status of Company risk.

Credit Risk Management Committee

The Credit Risk Management Committee deliberates on matters concerning the Group's credit portfolio as a whole as well as credit risk management. This is to ensure the proper management of portfolio credit risks.

ALM Committee

The ALM Committee deliberates on how to manage market, liquidity and other risks, and comprehensively manages funds and their procurement in order to identify and minimize those risks that have the potential to negatively impact the Company's assets and liabilities, including fluctuations in interest and foreign currency exchange rates.

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.

Compliance

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 takes the lead in promoting compliance in accordance with compliance programs, implementing continuous education and training through the use of e-learning and other initiatives and enhancing compliance awareness.

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.

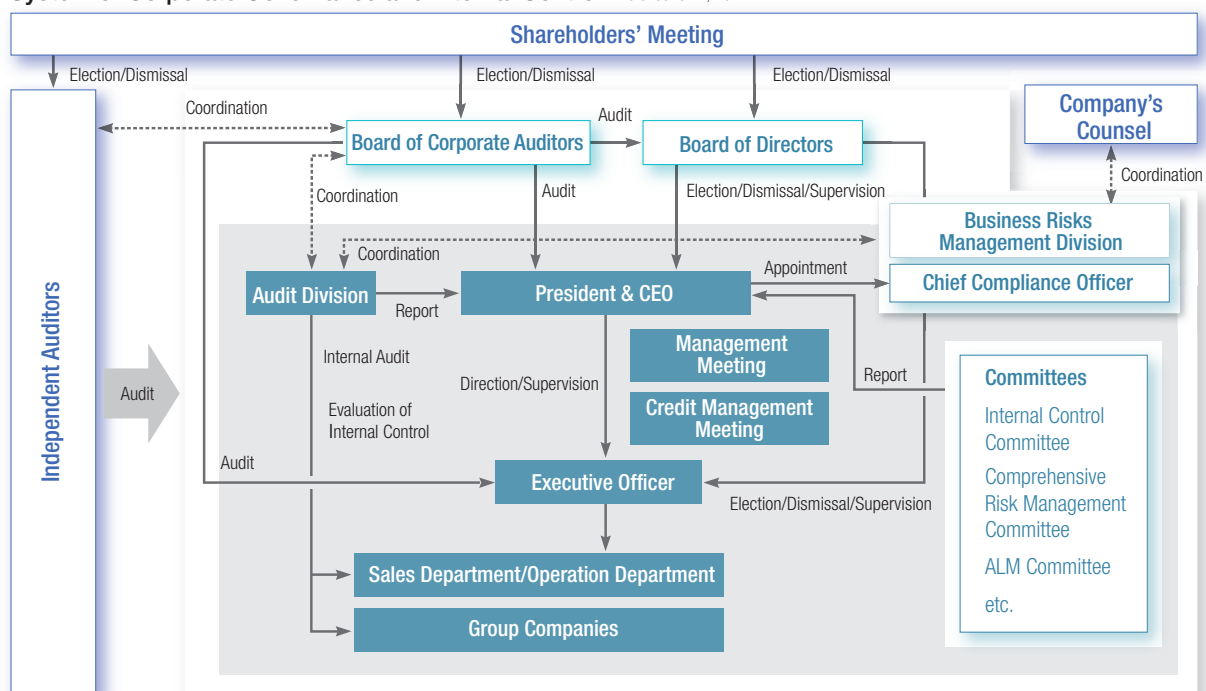
Risk Management

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 the 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

System of Corporate Governance and Internal Control As of June 21, 2012



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.

Market and Liquidity Risks

Market and liquidity risks refer to those risks that have the potential to impact the Group's ability to procure funds. This includes such factors as fluctuations in market interest rates and changes in the procurement environment. The Century Tokyo Leasing Group stringently manages risks related to the procurement of funds based on analyses by the ALM Committee. As a part of this management, the Group undertakes the appropriate risk hedge measures as and when required.

Comprehensive Risk

In addition to credit, market and liquidity risks, the Business Risk Management Division identifies, evaluates and reviews countermeasures with respect to the full range of risks including business, legal and other operational risks. Based on our crisis countermeasure rules, this committee is set up to immediately respond and take charge as a headquarters in the event of a large disaster or other crisis.

System Risk and Information Security Risk

Guided by its basic policy regarding information security, Century Tokyo Leasing puts in place all related rules and regulations, including its Rules regarding the Handling of Personal Information, acquired ISO/IEC 27001 certification and undertakes appropriate measures and management to protect the information assets of customers, business partners and the Company and Group companies.



IS91018-ISO27001

Basic Stance toward Eliminating All Ties with Antisocial Forces and the Status of Implementation

Century Tokyo Leasing and its Group companies take a firm, categorical stance toward maintaining the basic policy of eliminating any and all ties with antisocial forces. As a part of efforts to put in place a structure that is designed to eliminate all ties with antisocial forces, the Group has established specific procedures in accordance with its Code of Conduct and engages in appropriate management through wide-ranging initiatives that encompass such fields as education and training. In addition, the General Affairs Division is charged with the responsibility of overseeing the Group's response to antisocial forces. This Division is a member of the Tokubouren (a special-interest incorporated association set up within the Tokyo Metropolitan Police Department to prevent violence). While collaborating closely with the Association, every effort is made to sever all ties with antisocial forces and to garner the trust and confidence of society.

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 financial Instruments and Exchange Law of Japan and rules on timely disclosure stipulated by the Tokyo Stock Exchange. In addition to information disclosure, we disclose other information determined to be appropriate and useful to promote the investment activities of market participants and a greater understanding of the Company.

Based on all relevant statutory, regulatory and related requirements, 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 after announcements have been made through media institutions.

CSR

Basic Stance toward CSR Management

The Century Tokyo Leasing Group strives to promote sustainable corporate growth and development by strengthening corporate governance. At the same time, the Group practices CSR management by engaging in environmental protection, social contribution and related activities that help realize a better society. Through these collective means, the Group aims to fulfill its corporate social responsibility. In addition, the Group aims to earn the trust and fulfill the expectations of all its stakeholders, including customers, vendors, shareholders, investors, local communities and employees, through every facet of its business activities.

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. The Group actively contributes to society through its business activities. Among a host of initiatives, the Group strives to support the efforts of renewable energy businesses, including photovoltaic and wind power generation.

Moreover, the Group has put in place an in-house Environment Manual that forms part of its efforts to reduce electricity and paper consumption as well as the volume of waste generated. The manual also promotes the adoption of telematics* for the Group's fleet of sales and marketing vehicles in its ongoing pursuit of eco-driving. In these ways, each and every employee puts into practice actions that take environmental preservation into consideration.

* Telematics refers to a system of managing and analyzing traveling distance, time and speed data.

Environmental Initiatives

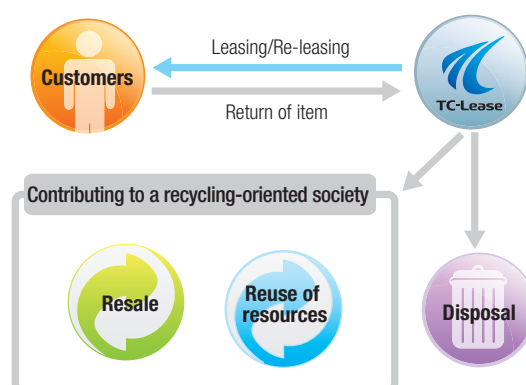
Tackling environmental issues is one of the Group's important social responsibilities. To that end, the Group continually works to reduce environmental burdens in every business activity. As part of such efforts, the Group obtained ISO 14001 (International Environmental Management System) certification.



Social Contributions through Business Activities

Remarketing Business

The Century Tokyo Leasing Group adheres strictly to a policy of contributing to the formation of a recycling-oriented society. In this context, the Group promotes the reuse (renewal and resale) as well as the recycling (the recycling and reuse of component parts and materials) upon return of leased items. The Company's specialist subsidiary, TRY, INC., in particular handles items in the information and communications device field, an area of particular Group strength, after leases have expired. Boasting substantial reuse and recycling capabilities, TRY provides various services to customers. As a "one-stop" service, TRY helps to not only secure the reuse of customers' leasing assets by the Company, but also the reuse and disposal of items owned by customers.



Business Activity Initiatives

Initiatives Aimed at Unpackaged Delivery

Unpackaged delivery refers to the use of either designated packaging materials to enable the delivery of precision instruments and related items in an unpackaged state or simplified packaging in order to reduce environmental load. The Century Tokyo Leasing Group promotes unpackaged delivery (within the Tokyo Metropolitan area) when delivery and pickup are for the purposes of PC kitting and data erasure. In addition, the Group takes steps to address security concerns by using its own delivery and pickup service.

Initiatives Aimed at Contributing to Society

Contributing to Society through Business Activities

Environmental Finance Initiatives

Amid growing interest in green energies including photovoltaic, wind, water and geothermal power generation, the Japanese government initiated a Feed-in Tariff (FIT) Program, facilitating the purchase of renewable energy at fixed prices in July 2012. Nationwide, local government authorities and private-sector operators have at the same time launched power generation projects using renewable energy.

Given these conditions, Century Tokyo Leasing has put together a project finance and leasing scheme where the income gained through the sale of energy can be paid to the Company. By containing the level of initial business investment, Century Tokyo Leasing is endeavoring to promote the introduction of facilities.

Together with All of Our Stakeholders

With Customers and with 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)* 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.

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

With Shareholders and with 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.

With 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.

With 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.

External Evaluation

Companies whose activities extend beyond the mere pursuit of profits to include contribution to the environment and society are companies that are attracting interest and expectations for long-term, sustainable growth. These companies are also considered targets for socially responsible investment (SRI). Century Tokyo Leasing has been included in the FTSE4Good Index, an objective measure of the performance of companies that meet globally recognized corporate responsibility standard issued by FTSE, an independent company that originated as a wholly owned subsidiary of the London Stock Exchange (as of July 2012).

This inclusion is a clear indication of the esteem in which the Company's CSR activities are held.



CORPORATE HISTORY

Corporate History

1964**Aug. Established Former Tokyo Leasing Co., Ltd.**

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 Established Former Century Leasing System, Inc.**

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 Co., Ltd.**

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, Inc.**

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)

2009**Apr. Launched Century Tokyo Leasing Corporation**

The two companies merged

Oct. Launched TC Business Service Corporation

Integrated two former companies' administrative subsidiaries

2010**Apr. Launched TC Agency Corporation**

Integrated two former companies' nonlife insurance agency businesses

Established TC Business Experts Corporation

Established as the subsidiary with the aim of securing the transparency of internal audits

2011**July Established TCI Finance Corporation**

Jointly established with ITOCHU Corporation with the aim of expanding ITOCHU Group-related finance transactions

Oct. Established TC Property Solutions Corporation

Established with the aim of improving real estate business-related profitability

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

1972**Oct., Hong Kong/China**

Established Tokyo Leasing (Hong Kong) Ltd.

1979**May, Singapore**

Established Tokyo Leasing (Singapore) Pte. Ltd. (currently Century Tokyo Leasing (Singapore) Pte. Ltd.)

1983**May, London/U.K.**

Established Tokyo Leasing (UK) Plc

1985**Dec., New York/U.S.A.**

Established Tokyo Leasing (U.S.A.) Inc. (currently Century Tokyo Leasing (USA) Inc.)

1997**Nov., Taipei/Taiwan**

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

2002**Mar., Kaohsiung/Taiwan^{*1}****2003****Aug., Taichung/Taiwan^{*1}****2006****July, Shanghai/China**

Established TOZUI Corporation (currently Century Tokyo Leasing China Corporation through a merger with Century Leasing (China) Co., Ltd. in January 2010)

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^{*2}****2011****Jan., Beijing/China^{*2}****Feb., Jakarta/Indonesia**

Established PT. Century Tokyo Leasing Indonesia

Dec., Suzhou/China^{*2}**2012****Dalian, Tsingtao, Wuhan, Chengdu/China^{*2}****Entered Mumbai/India**

^{*1} Established a branch of President Tokyo Corporation

^{*2} Established a branch of Century Tokyo Leasing China Corporation

Reinforcement of the automobile leasing business

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

Established as a wholly owned subsidiary of the former Tokyo Leasing Co., Ltd.

1985**Apr. Century Auto Leasing Co., Ltd.**

Established as a wholly owned subsidiary of the former Century Leasing System, Inc.

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 Sumitomo Mitsui Trust Panasonic Finance 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

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 (currently 80% of share outstanding)

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

MANAGEMENT

As of June 21, 2012

BOARD OF DIRECTORS	CORPORATE AUDITORS	EXECUTIVE OFFICERS	
Chairman & Co-CEO, Representative Director Toshihito Tamba	Standing Corporate Auditors Osamu Shibaya Futoshi Okada*	Senior Managing Executive Officer Michio Ito	Executive Officers
President & CEO, Representative Director Shunichi Asada	Corporate Auditors Syunsuke Wada* Osamu Saito*	Managing Executive Officers Yuichiro Ikeda Takeshi Honda Takashi Muramatsu Kazuo Tanaka Mitsutaka Ohshima Atsuhiko Iwatake Noboru Akatsuka Yasuo Mori Kenji Murai	Eiji Hara Koichiro Izutsu Hidenori Fujimori Masahiko Shishido Akira Sugimoto Yukio Tanaka Yoshio Nomura Osamu Miyata Ryoji Kawaguchi Yuzuru Asaba Takashi Kamite Yoichiro Nakai Shogo Ozaki Takashi Ito Yasushi Yoshino
Deputy President, Director and Executive Officers Makoto Nogami Koichi Nakajima	*External		
Director and Managing Executive Officers Masao Mizuno Masuo Suzuki Masataka Yukiya			
Directors Hideo Kondou Yoshinori Shimizu*			
*External			

FINANCIAL SECTION

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FIVE-YEAR SUMMARY

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31

	Millions of yen				
	2008	2009	2010	2011	2012
Operating Results					
Revenues	¥ 742,454	¥ 742,948	¥ 758,674	¥ 713,182	¥ 716,342
Leasing	595,551	613,801	635,808	598,925	603,768
Installment sales	128,793	109,755	105,413	94,114	88,955
Loans	7,048	7,435	—	—	—
Finance	—	—	11,764	13,211	14,031
Other businesses	11,062	11,957	5,689	6,932	9,588
Costs	690,734	683,683	693,569	641,589	643,684
Leasing	542,831	548,323	567,884	531,387	538,691
Installment sales	119,300	102,195	98,378	88,443	84,157
Loans	23	28	—	—	—
Finance	—	—	2,476	1,688	1,149
Other businesses	7,394	9,097	4,830	5,585	8,130
Interest expenses	21,185	24,039	20,001	14,487	11,558
Gross profit on revenues	51,720	59,265	65,105	71,593	72,658
Sales revenues (Gross profit on revenues before deducting cost of funds)	72,906	83,304	85,106	86,081	84,216
SG&A expenses	30,223	38,368	34,810	30,559	30,780
Personnel and non-personnel expenses	26,406	27,654	29,153	29,421	30,768
Allowance for doubtful accounts	3,817	10,714	5,657	1,139	12
Operating income	21,497	20,897	30,295	41,034	41,878
Ordinary income (Income before extraordinary items and income taxes)	22,359	22,275	33,414	44,170	46,252
Extraordinary gains (losses)	(994)	(5,232)	(250)	(3,465)	(2,171)
Net income	13,250	10,029	25,542	23,646	26,194
Financial Condition					
Total assets	¥2,090,407	¥2,423,800	¥2,132,892	¥2,184,599	¥2,260,389
Operating assets, including business guarantees	1,902,095	2,118,180	1,962,008	2,049,804	2,143,217
Leasing	1,336,707	1,536,504	1,410,109	1,383,696	1,375,761
Installment sales (after deducting deferred profit on installment sales)	267,860	243,708	200,539	191,836	187,986
Loans	237,206	261,629	—	—	—
Finance	—	—	327,307	448,191	530,655
Other businesses	39,808	58,175	—	—	—
Business guarantees	20,514	18,164	24,053	26,081	48,815
Interest-bearing debt	1,792,410	2,053,766	1,749,776	1,741,897	1,783,173
Net assets	127,400	133,222	158,116	178,752	201,272
Cash Flows					
Net cash provided by operating activities	—	—	¥ 194,308	¥ 48,552	¥ (26,425)
Net cash used in investing activities	—	—	(8,949)	23,192	(516)
Net cash used in financing activities	—	—	(306,146)	(89,762)	38,289
Cash and cash equivalents at end of year	—	—	50,947	32,794	44,531

	Yen				
	2008	2009	2010	2011	2012
Per Share Data					
Net income (loss)	¥ —	¥ 94.05	¥ 239.57	¥ 221.80	¥ 245.82
Former CLS	125.31	114.29	—	—	—
Former TLC	104.77	63.50	—	—	—
Net assets	—	1,174.11	1,410.61	1,594.57	1,796.62
Former CLS	1,102.48	1,162.07	—	—	—
Former TLC	1,081.69	1,007.79	—	—	—
Dividends	—	—	32.00	40.00	44.00
Former CLS	26.00	28.00	—	—	—
Former TLC	24.00	26.00	—	—	—
Significant Indicators					
Return on equity (ROE)	—	8.0%	18.5%	14.8%	14.5%
Former CLS	11.6%	10.1%	—	—	—
Former TLC	10.0%	6.1%	—	—	—
Return on assets (ROA)	—	1.0%	1.5%	2.0%	2.1%
Former CLS	1.3%	1.2%	—	—	—
Former TLC	0.9%	0.9%	—	—	—
Equity ratio	—	5.2%	7.1%	7.8%	8.4%
Former CLS	7.2%	7.2%	—	—	—
Former TLC	5.4%	4.1%	—	—	—
Overhead ratio	—	46.7%	44.8%	41.1%	42.3%
Former CLS	46.1%	41.7%	—	—	—
Former TLC	54.1%	49.4%	—	—	—
Other Data					
Employees (persons)	—	1,701	1,732	1,715	1,722
Former CLS	486	490	—	—	—
Former TLC	1,090	1,211	—	—	—

Notes: 1. Figures for the years ended March 31, 2008 and 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. (CLS) and Tokyo Leasing Co., Ltd. (TLC). The merger ratio has been factored into per share data for the year ended March 31, 2009.

2. 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.

3. Revenues do not include internal revenues or transfers between segments.

4. ROE = Net income / Equity (simple average of beginning and end of term balance sheet figures) X 100

ROA = Ordinary income / Total assets (simple average of beginning and end of term balance sheet figures) X 100

Overhead ratio = (Personnel expenses + Non-personnel expenses) / Gross profit on revenues X 100

MANAGEMENT'S DISCUSSION AND ANALYSIS

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31

Business Environment and the Group's Approaches

In fiscal 2011, the Japanese economy exhibited signs of mild recovery after the temporary slump in economic activity in the aftermath of the Great East Japan Earthquake.

Despite these indications of a modest positive upswing, the environment surrounding corporate-sector activity remains severe due largely to the prolonged appreciation in the value of the yen, delays in the recovery of the U.S. economy and financial uncertainty in Europe. As a result, operating conditions continue to be unpredictable.

Under these circumstances, the Century Tokyo Leasing Group continued to promote efforts aimed at strengthening its sales and management bases throughout fiscal 2011, the second year of its three-year medium-term management plan, which is designed as an "evolution scenario for maximizing merger synergies and moving to the next stage of growth."

In working to strengthen our sales base, we promoted the "improvement of expertise and approaches toward business areas where growth is expected," "business expansion in China and other Asian countries" and "sophistication of information technology services." Specifically, we established a subsidiary through a joint investment with ITOCHU Corporation to expand financial services for the ITOCHU Group. In addition, we established a subsidiary to engage in real estate management services with the aim of improving profitability in the real estate business and accumulating relevant know-how. In the aircraft financing field, we acquired an equity interest (gaining 16.7% of total voting rights) in Jetstar Japan Co., Ltd., an LCC, in order to improve our expertise in this field. In the environment and energy fields, we established the Environment & Energy Finance Division

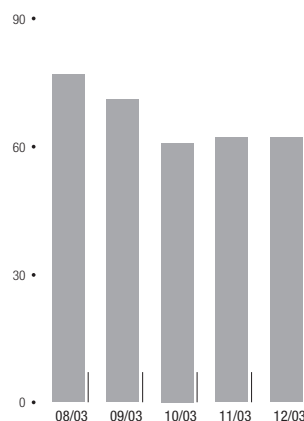
with the aim of reinforcing our position in this highly promising area.

To expand our operations in China and other Asian countries, our local company in China set up a branch in Suzhou, Jiangsu Province, and made preparations to open four additional offices. Moreover, an overseas subsidiary in Indonesia commenced operations. As a part of efforts to provide recycling services in China and other Asian regions, we entered into a business alliance with the Singapore headquarters of TES-AMM Ltd. which is a leading electronic waste recycler with a focus on the IT industry and business operations spanning more than 20 countries worldwide.

In the IT service field, a particular area of strength for the Century Tokyo Leasing Group, we began providing "ProPlus for C-x," a cloud-type service that can be used to handle accounting procedures for companies' fixed assets and leased property. With the development of "ProPlus for C-x," we have created a structure that is capable of providing a one-stop service for the management of goods and contracts as well as the accounting of assets essential to the corporate sector.

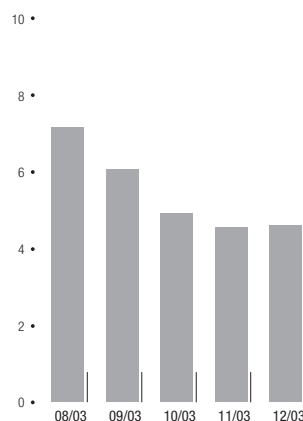
The strengthening of our management base is one of the preparatory steps we are taking with the goal of establishing an Automobile Business Promotion Office that will enhance the planning functions of our automobile leasing and rental car businesses in Japan and overseas. This initiative is aimed at bolstering the Group's comprehensive prowess. In addition, we have placed considerable emphasis on reinforcing our financial base by diversifying procurement methods. During the period under review, we issued unsecured bonds (with a limited inter-bond *pari passu* clause) as well as offshore unsecured bonds denominated in renminbi in the Hong Kong market.

Total Private Capital Investment
(Trillions of yen)



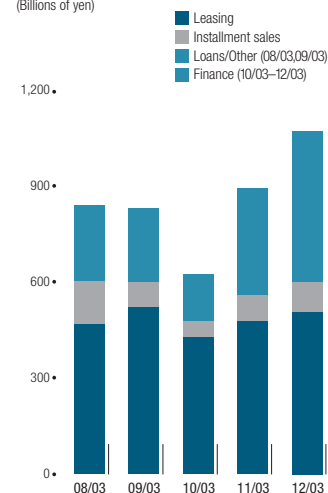
Source: Private capital investment is based on a survey by the Cabinet Office. The figures for "12/03" (FY2011) are preliminary figures announced on June 8, 2012.

**Total Lease Transactions
(Lease Contract Amounts)**
(Trillions of yen)



Source: Japan Leasing Association

Value of New Contracts
(Billions of yen)



Graph figures for the years ended March 31, 2008 and 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 exceeded ¥1 trillion, climbing 20% compared with the previous fiscal year to ¥1,072,684 million on the back of successful operating activities. Results benefited from robust revenues in the leasing business, particularly for mainstay information and communications equipment as well as construction machinery due to strong reconstruction demand following the earthquake disaster, growth in the financing business and contributions from subsidiaries in Japan and overseas. Accounting for these factors, the balance of operating assets, including business guarantees, rose 4.6% year on year to ¥2,143,217 million. This result exceeded the simple combination of operating assets held by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd. as of March 31, 2009, and is a clear indication of the positive effects to have accrued following the merger.

Turning to profit and loss, total revenues edged up 0.4% compared with the previous fiscal year to ¥716,342 million. Operating income increased 2.1% year on year to ¥41,878 million mainly due to lower funding costs and a decrease in expenses related to doubtful accounts. Ordinary income improved 4.7% year on year to ¥46,252 million and net income grew 10.8% to ¥26,194 million. In addition to an increase in revenues and earnings, Century Tokyo Leasing reported record high profits for the fiscal year under review.

Revenues, Gross Profit on Revenues

Total revenues edged up ¥3,159 million, or 0.4%, compared with the previous fiscal year to ¥716,342 million.

Gross profit rose ¥1,064 million, or 1.5%, year on year to ¥72,658 million. This largely reflected successful efforts to lower funding costs, which contracted ¥2,929 million, or 20.2%, to ¥11,558 million.

Operating Income

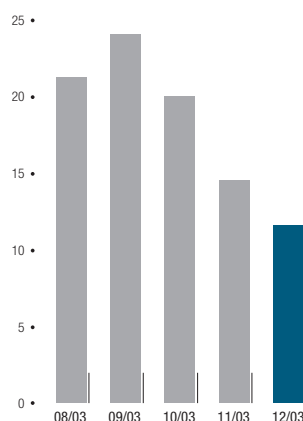
Selling, general and administrative expenses increased ¥221 million, or 0.7%, compared with the previous fiscal year to ¥30,780 million. Despite the drop in allowance for doubtful accounts, which contracted ¥1,126 million, or 98.9%, to ¥12 million, this was mainly attributable to the increase in personnel and non-personnel expenses of ¥1,347 million, or 4.6%, to ¥30,768 million. As a result, operating income grew ¥843 million, or 2.1%, year on year to ¥41,878 million.

Ordinary Income

Non-operating income rose ¥1,397 million, or 34.4%, compared with the previous fiscal year primarily owing to increases in foreign exchange gains and equity in earnings of affiliates. While interest expense declined, non-operating expenses were ¥158 million, or 17.1%, higher than the level recorded in fiscal 2010 due to the upswing in expenses on derivatives other than for trading or hedging. Accounting for each of these factors, ordinary income climbed ¥2,082 million, or 4.7%, compared with the previous fiscal year to ¥46,252 million.

Funding Costs

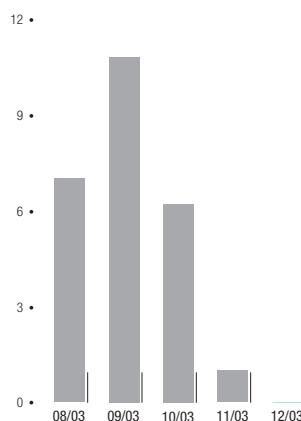
(Billions of yen)



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

Credit Costs

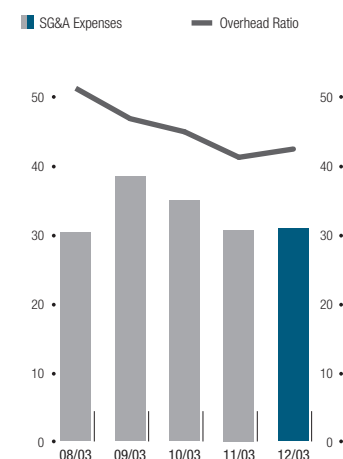
(Billions of yen)



Credit costs represent the sum of doubtful account costs, which were included in costs of sales, and allowance for doubtful accounts, which was included in SG&A expenses. Graph figures for the years ended March 31, 2008 and 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.

SG&A Expenses Overhead Ratio

(Left: Billions of yen) (Right: %)



Graph figures for the years ended March 31, 2008 and 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd.
Overhead ratio = (Personnel expenses + Non-personnel expenses) / Gross profit on revenues X 100

Net Income

Extraordinary income increased ¥478 million compared with the previous fiscal year mainly due to higher gain on sale of investments in securities. Extraordinary loss decreased ¥816 million year on year. Despite an increase in loss on devaluation of investments in securities and the incidence of early extra retirement payments, this decline was largely attributable to the absence of the loss on revision of retirement benefit plan incurred in the previous fiscal year. As a result, income before income taxes and minority interests grew ¥3,377 million, or 8.3%, year on year to ¥44,082 million. Income taxes for the period rose ¥752 million, or 4.6%, to ¥17,100 million and minority interests in income climbed ¥77 million, or 10.8%, to ¥787 million.

Taking into account each of the aforementioned factors, net income amounted to ¥26,194 million, up ¥2,547 million, or 10.8%, compared with the previous fiscal year.

Net income per share improved ¥24.02 year on year to ¥245.82. ROE contracted 0.3 of a percentage point to 14.5% while ROA edged up 0.1 of a percentage point to 2.1%.

Results by Segment

In the leasing and installment sales business, the value of new contracts executed climbed 7.2% compared with the previous fiscal year to ¥599,587 million. The balance of operating assets stood at ¥1,563,747 million, a slight decrease of ¥11,784 million, or 0.7%, year on year. Total sales were essentially unchanged from the previous fiscal year at ¥692,723 million while segment profit contracted 5.2% compared with the previous fiscal year to ¥41,212 million.

In the financing business, the value of new contracts executed surged 41.4% compared with the previous fiscal year to ¥473,098 million. Operating assets rose ¥82,465 million, or 18.4%, year on year to ¥530,655 million. Moreover, operating assets including business guarantees stood at ¥579,470 million as of March 31, 2012. This was ¥105,198 million, or 22.2%, higher than the balance as of the end of the previous fiscal year. Total sales climbed 6.2% to ¥14,031 million and segment profit rose 37.0% to ¥6,685 million.

In other businesses excluded from reporting segments, revenues increased 38.3% compared with the previous fiscal year to ¥9,588 million and segment profit improved 34.6% year on year to ¥1,807 million.

Financial Condition

Total Assets

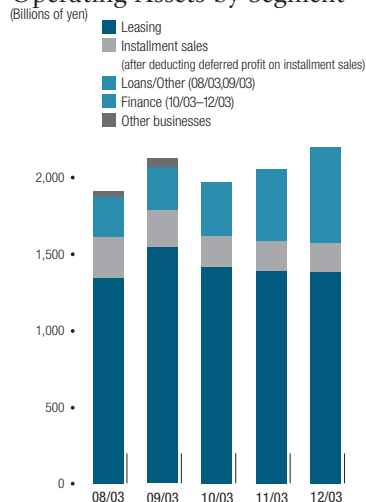
Total assets as of March 31, 2012, stood at ¥2,260,389 million, an increase of ¥75,789 million, or 3.5%, compared with the end of the previous fiscal year. The principal factor contributing to this increase is the upswing in operating assets.

Liabilities

Total liabilities as of the accounting period end rose ¥53,269 million, or 2.7%, year on year to ¥2,059,117 million. Major factors included an increase in notes and accounts payable-trade of ¥16,007 million and an upswing in interest-bearing debt.

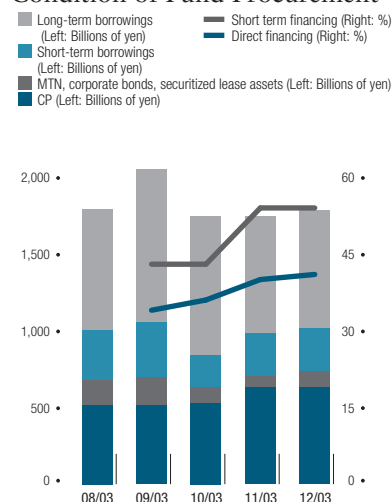
Interest-bearing debt climbed ¥41,276 million, or 2.4%, to ¥1,783,173 million. A breakdown of interest-bearing debt shows that the short-term borrowings rose ¥23,760 million,

Operating Assets by Segment



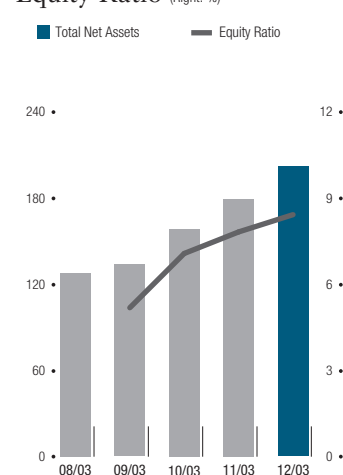
Graph figures for the years ended March 31, 2008 and 2009 are the simple sums of values recorded by the former Century Leasing System, Inc. and Tokyo Leasing Co., Ltd. Loans/Other and Finance include business guarantees

Condition of Fund Procurement



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

Net Assets Equity Ratio



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

or 2.5%, to ¥965,591 million mainly due to the issuance of commercial paper and an increase in payables under securitized lease receivables. Long-term fund procurement increased ¥17,516 million, or 2.2%, to ¥817,583 million. Despite a decrease in long-term fund procurement through securitized receivables, this increase is attributable to such factors as the issuance of straight bonds totaling ¥43,492 million.

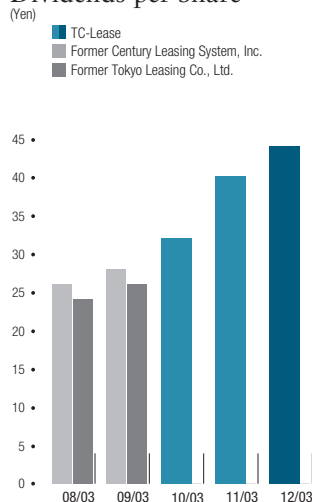
Net Assets

Net assets rose ¥22,520 million, or 12.6%, year on year to ¥201,272 million. The principal cause was an increase in retained earnings of ¥21,333 million. Reflecting this movement, the shareholders' equity ratio improved 0.6 of a percentage point year on year to 8.4%.

Indirect Funding and Direct Funding

As of the end of fiscal year under review, indirect funding increased ¥11,411 million, or 1.1%, to ¥1,049,407 million, reflecting the upswing in long-term borrowings. Direct funding climbed ¥29,865 million, or 4.2%, to ¥733,766 million owing to a decrease in fund procurement through debt securitization and the issuance of straight bonds. As a result, the direct financing ratio for the fiscal year ended March 31, 2012, was 41.1%, up 0.7 of a percentage point compared with the end of the previous fiscal year. In addition, the long-term fund procurement ratio stood at 45.8%, down 0.1 of a percentage point year on year.

Dividends per Share



Securing Liquidity

With the aim of securing liquidity, the Century Tokyo Leasing Group executed overdraft agreements and commitment line agreements with 65 financial institutions. As of March 31, 2012, the total value of agreements amounted to ¥747,117 million, up ¥13,238 million compared with the end of the previous fiscal year.

The balance of unused facilities under overdraft and commitment line agreements as of the end of the fiscal year under review stood at ¥474,969 million. The Group is confident that it has secured ample liquidity of funds.

Cash Flows

Cash Flows from Operating Activities

Net cash used in operating activities was ¥26,425 million compared with net cash provided by operating activities of ¥48,552 million in the previous fiscal year. This was mainly attributable to cash outflows related to the increase in operating receivables, particularly in the financing business, compared with the previous fiscal year.

Cash Flows from Investing Activities

Net cash used in investing activities totaled ¥516 million compared with net cash provided by investing activities of ¥23,192 million. This turnaround is mainly attributable to the absence of proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation recorded in the previous fiscal year.

Cash Flows from Financing Activities

Net cash provided by financing activities came to ¥38,289 million compared with net cash used in financing activities of ¥89,762 million in the previous fiscal year. The major component was the upswing in fund procurement, which led to an increase in interest-bearing debt.

By type of borrowing, the balance of direct funding, including corporate bonds and commercial paper increased during the fiscal year under review. The balance of debt payables covering securitized receivables, on the other hand, declined. In procurement through indirect funding, the balance of short-term borrowings and long-term debt increased. As a result, proceeds from direct funding totaled ¥29,747 million compared with proceeds amounting to ¥72,271 million in the previous fiscal year. Proceeds from indirect funding were ¥13,476 million compared with repayments of ¥157,892 million in fiscal 2010.

Accounting for each of the aforementioned activities, cash and cash equivalents at end of year were up ¥11,737 million year on year, amounting to ¥44,531 million.

Dividends for the Fiscal Year Ended March 31, 2012

At the beginning of the period, Century Tokyo Leasing forecast an annual cash dividend for fiscal 2011 of ¥40 per share comprising an interim cash dividend of ¥20 per share and a period-end cash dividend of ¥20 per share. Taking into account the Company's positive performance, which outstripped estimates made at the start of the fiscal year under review, Century Tokyo Leasing decided to increase both its interim and period-end cash dividends by ¥2 per share for an annual cash dividend of ¥44 per share (interim cash dividend of ¥22 per share and a period-end cash dividend of ¥22 per share).

Fiscal 2012 Outlook

In the fiscal year ended March 31, 2012, leasing investment in Japan increased for the first time in five years. While there are expectations that the market will remain stable in terms of size, Century Tokyo Leasing's operating environment is projected to substantially change going forward due to a variety of factors, including moves by Japan's corporate sector to accelerate global business development.

Under these circumstances, the Company will continue to contain its funding and credit costs while engaging in operating activities that take full advantage of its customer base. In addition to further developing its leasing and installment sales business, Century Tokyo Leasing will work to expand its financing business and enhance its specialist expertise. At the same time, the Company will proactively promote global business development, focusing mainly on China and the Asian region. Through these and other means, Century Tokyo Leasing will endeavor to increase profitability.

Based on each of the aforementioned activities, the Century Tokyo Leasing Group is forecasting revenues of ¥700,000 million for the fiscal year ending March 31, 2013, down 2.3% compared with the fiscal year under review. Operating income is projected to edge up 0.3% year on year to ¥42,000 million, ordinary income to increase 0.5% to ¥46,500 million and net income to climb 3.1% to ¥27,000 million.

Dividends in the Fiscal Year Ending March 31, 2013

The Group maintains a basic policy of returning profits to its shareholders on a long-term and stable basis. The Group is also acutely aware of the need to ensure sufficient internal reserves to promote continuous business and operational expansion, strengthen its corporate standing and enhance its corporate value.

For the fiscal year ending March 31, 2013, the Group is planning an annual cash dividend of ¥46 per share (¥23 per share for both interim and period-end cash 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 price 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.

(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) that comprises 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 its relationships 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)

	FY2007	FY2008	FY2009	FY2010	FY2011
Private capital investment (a)	¥76,831.7	¥71,014.7	¥60,771.1	¥62,030.5	¥62,034.7
YoY comparison	102.9%	92.4%	85.6%	102.1%	100.0%
Capital investment financed by leasing (b)	6,342.0	5,444.4	4,405.8	4,116.1	4,168.2
YoY comparison	89.1%	85.8%	80.9%	93.4%	101.3%
Ratio of capital investment financed by leasing to private capital investment (b) ÷ (a)	8.3%	7.7%	7.3%	6.6%	6.7%
Newly executed lease contracts of the Group	¥ 468.3	¥ 520.8	¥ 428.2	¥ 476.2	¥ 507.4
YoY comparison	82.9%	111.2%	82.2%	111.2%	106.6%

Notes: 1. Private capital investment is based on a survey by the Cabinet Office. The figures for FY2011 are preliminary figures announced on June 8, 2012.

2. Capital investment financed by leasing is statistical data released by the Japan Leasing Association.

3. Figures for the years ended March 31, 2008 and 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, 2012 AND 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
ASSETS			
Current assets:			
Cash on hand and in banks (Notes 8, 12 and 17)	¥ 43,555	¥ 30,096	\$ 530,259
Accounts receivable:			
Installment sales (Notes 8, 9 and 17)	198,890	203,417	2,421,349
Lease receivables and investment assets (Notes 8, 15 and 17)	1,247,752	1,255,791	15,190,547
Loans (Notes 8 and 17)	430,903	367,120	5,245,958
Leases	17,028	16,040	207,309
Other	6,958	10,033	84,710
Allowance for doubtful accounts (Note 17)	(6,767)	(7,788)	(82,389)
Operational investment securities (Notes 3, 6 and 17)	95,440	76,043	1,161,924
Other operating assets	641	526	7,809
Short-term investment securities (Notes 6, 12 and 17)	2,000	4,000	24,349
Inventories (Notes 8 and 9)	1,164	1,086	14,166
Deferred tax assets (Note 13)	1,954	3,390	23,788
Other current assets	18,706	21,209	227,727
Total current assets	2,058,224	1,980,963	25,057,506
Investments and other assets:			
Investments in securities (Notes 6, 8 and 17):			
Unconsolidated subsidiaries and affiliates	16,705	14,558	203,377
Other securities	29,190	31,110	355,365
Long-term loans and other assets	12,413	12,494	151,120
Claims provable in bankruptcy or rehabilitation (Notes 8 and 17)	5,242	6,236	63,822
Deferred tax assets (Note 13)	3,144	3,163	38,274
Allowance for doubtful accounts (Note 17)	(2,217)	(2,713)	(26,987)
Total investments and other assets	64,477	64,848	784,971
Property and equipment, at cost less accumulated depreciation:			
Leased assets (Notes 7 and 8)	127,666	127,578	1,554,243
Advances for purchases of property for lease	2,445	2,301	29,772
Own assets in use (Note 7)	2,925	3,134	35,607
Property and equipment, net	133,036	133,013	1,619,622
Intangible assets:			
Computer programs leased to customers	344	327	4,191
Other intangible assets	4,308	5,448	52,447
Total intangible assets	4,652	5,775	56,638
Total assets	¥2,260,389	¥2,184,599	\$27,518,737

The accompanying notes are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
LIABILITIES AND NET ASSETS			
Current liabilities:			
Short-term borrowings (Notes 8, 9, 12 and 17)	¥ 965,591	¥ 941,830	\$11,755,425
Current portion of long-term debt (Note 8)	311,696	301,695	3,794,689
Notes and accounts payable—trade (Note 17)	150,374	134,367	1,830,706
Lease obligations (Note 17)	8,238	12,983	100,287
Accrued income taxes (Note 13)	11,021	6,914	134,178
Advances received from customers	4,765	4,691	58,009
Deferred tax liabilities (Note 13)	469	413	5,707
Deferred profit on installment sales (Note 17)	10,904	11,581	132,744
Other current liabilities	26,704	26,723	325,111
Total current liabilities	1,489,762	1,441,197	18,136,856
Long-term liabilities:			
Long-term debt (Notes 8, 9 and 17)	505,887	498,372	6,158,836
Lease obligations (Note 17)	10,701	13,520	130,278
Retirement benefits (Note 14)	1,058	1,059	12,879
Guarantee deposits from customers	21,921	23,035	266,871
Deferred tax liabilities (Note 13)	3,306	3,798	40,245
Allowance for automobile inspection costs	82	107	1,001
Negative goodwill	35	180	431
Other long-term liabilities	26,365	24,579	320,987
Total long-term liabilities	569,355	564,650	6,931,528
Total liabilities	2,059,117	2,005,847	25,068,384
Contingent liabilities (Note 16)			
Net assets (Note 21):			
Shareholders' equity (Notes 18 and 19):			
Common stock without par value:			
Authorized: 400,000,000 shares			
Issued: 106,624,620 shares in 2012 and 106,624,620 shares in 2011	34,231	34,231	416,740
Capital surplus	5,538	5,538	67,421
Retained earnings	152,818	131,485	1,860,465
Treasury stock:			
369,662 shares in 2012 and 12,377 shares in 2011	(580)	(11)	(7,069)
Total shareholders' equity	192,007	171,243	2,337,557
Accumulated other comprehensive income (loss)			
Net unrealized holding gains on securities	2,586	1,727	31,488
Net unrealized gains on derivative instruments	1,808	1,974	22,016
Translation adjustments	(5,502)	(4,943)	(66,987)
Total accumulated other comprehensive loss	(1,108)	(1,242)	(13,483)
Minority interests in consolidated subsidiaries	10,373	8,751	126,279
Total net assets	201,272	178,752	2,450,353
Total liabilities and net assets	¥2,260,389	¥2,184,599	\$27,518,737

CONSOLIDATED STATEMENTS OF INCOME

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
YEARS ENDED MARCH 31, 2012 AND 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
Revenues (Note 20):			
Leases	¥603,768	¥598,925	\$7,350,469
Installment sales	88,955	94,114	1,082,971
Other	23,619	20,143	287,550
Total revenues	716,342	713,182	8,720,990
Costs:			
Leases	538,691	531,387	6,558,207
Installment sales	84,157	88,443	1,024,550
Interest expense	11,558	14,487	140,713
Other	9,278	7,272	112,960
Total costs	643,684	641,589	7,836,430
Gross profit	72,658	71,593	884,560
Selling, general and administrative expenses (Note 10)	30,780	30,559	374,726
Operating income	41,878	41,034	509,834
Other income (expenses):			
Interest and dividend income	991	722	12,068
Interest expense	(512)	(726)	(6,237)
Equity in earnings of affiliates	2,010	1,412	24,470
Gain on amortization of negative goodwill	890	890	10,837
Foreign exchange gains	1,180	717	14,367
Expenses on derivatives other than for trading or hedging (Note 4)	(382)	(32)	(4,657)
Gain on sale of investments in securities	747	196	9,095
Gain on bad debts recovered	—	43	—
Loss on revision of retirement benefit plan	—	(1,260)	—
Loss on disaster	—	(424)	—
Early extra retirement payments	(730)	—	(8,882)
Loss on devaluation of investments in securities	(1,952)	(1,133)	(23,770)
Other, net	(39)	(735)	(462)
Income before income taxes and minority interests	44,081	40,704	536,663
Income taxes (Note 13):			
Current	16,008	10,430	194,890
Deferred	1,092	5,918	13,295
	17,100	16,348	208,185
Income before minority interests	26,981	24,356	328,478
Minority interests	787	710	9,580
Net income (Note 21)	¥ 26,194	¥ 23,646	\$ 318,898

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, 2012 AND 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
Income before minority interests	¥26,981	¥24,356	\$328,478
Other comprehensive income (loss) (Note 11)			
Net unrealized holding gains (losses) on securities	847	(71)	10,313
Net unrealized gains (losses) on derivative instruments	(153)	785	(1,862)
Translation adjustments	(650)	(1,190)	(7,909)
Share of other comprehensive loss of affiliates accounted for using equity method	(47)	(22)	(569)
Loss on change in equity	(276)	—	(3,361)
Total other comprehensive loss	(279)	(498)	(3,388)
Comprehensive income (Note 11)	¥26,702	¥23,858	\$325,090
Comprehensive income attributable to:			
Shareholders of Century Tokyo Leasing Corporation	26,052	23,073	317,176
Minority shareholders	650	785	7,914

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, 2012 AND 2011

	Number of shares Thousands		Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012	2011	2012
Common stock					
Balance at beginning of year	106,625	106,625	¥ 34,231	¥ 34,231	\$ 416,740
Balance at end of year	106,625	106,625	34,231	34,231	416,740
Capital surplus					
Balance at beginning of year			5,538	5,538	67,421
Balance at end of year			5,538	5,538	67,421
Retained earnings					
Balance at beginning of year			131,485	111,293	1,600,748
Net income for the year			26,194	23,646	318,898
Cash dividends			(4,584)	(3,944)	(55,811)
Decrease due to change in equity			(276)	—	(3,361)
Changes in the scope of equity method			—	481	—
Other			(1)	9	(9)
Balance at end of year			152,818	131,485	1,860,465
Treasury stock					
Balance at beginning of year	(12)	(10)	(11)	(9)	(143)
Acquisition of treasury stock	(357)	(2)	(569)	(2)	(6,926)
Disposal of treasury stock	0	0	0	0	0
Balance at end of year	(369)	(12)	(580)	(11)	(7,069)
Total shareholders' equity			¥192,007	¥171,243	\$2,337,557
Net unrealized holding gains on securities					
Balance at beginning of year			¥ 1,727	¥ 1,797	\$ 21,024
Net changes during the year			859	(70)	10,464
Balance at end of year			2,586	1,727	31,488
Net unrealized gains (losses) on derivative instruments					
Balance at beginning of year			1,974	1,291	24,028
Net changes during the year			(166)	683	(2,012)
Balance at end of year			1,808	1,974	22,016
Translation adjustments					
Balance at beginning of year			(4,943)	(3,750)	(60,173)
Net changes during the year			(559)	(1,193)	(6,814)
Balance at end of year			(5,502)	(4,943)	(66,987)
Total accumulated other comprehensive loss			¥ (1,108)	¥ (1,242)	\$ (13,483)
Minority interests in consolidated subsidiaries					
Balance at beginning of year			¥ 8,751	¥ 7,725	\$ 106,543
Net changes during the year			1,622	1,026	19,736
Balance at end of year			10,373	8,751	126,279
Total net assets			¥201,272	¥178,752	\$2,450,353

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, 2012 AND 2011

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2012	2011	2012
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 44,081	¥ 40,704	\$ 536,663
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	28,560	26,847	347,698
Decrease in allowance for doubtful accounts	(1,504)	(4,067)	(18,312)
Loss on disposal of leased assets	7,967	4,481	96,993
Loss on devaluation of investments in securities	1,952	1,133	23,770
Foreign exchange gains	(1,180)	(717)	(14,367)
Interest and dividend income	(991)	(722)	(12,068)
Interest expenses	12,070	15,213	146,950
Gain on sale of investments in securities	(690)	(155)	(8,399)
Loss on revision of retirement benefit plan	—	1,260	—
Loss on disaster	—	424	—
Early extra retirement payments	730	—	8,882
Decrease in installment sales receivable	2,529	8,235	30,786
Decrease (increase) in lease receivables and investment assets	(5,329)	28,387	(64,878)
Increase in loans receivable	(64,463)	(24,185)	(784,800)
Increase in operational investment securities	(19,439)	(12,061)	(236,662)
Purchases of leased assets	(30,945)	(29,420)	(376,739)
Decrease in claims provable in bankruptcy or rehabilitation	983	4,767	11,971
Increase in trade notes and accounts payable	16,010	8,323	194,917
Other, net	6,104	19	74,320
Subtotal	(3,555)	68,466	(43,275)
Interest and dividend income received	1,450	1,061	17,649
Interest expenses paid	(12,350)	(15,722)	(150,353)
Income taxes paid	(11,970)	(5,253)	(145,730)
Net cash provided by (used in) operating activities	(26,425)	48,552	(321,709)
Cash flows from investing activities:			
Purchases of own assets in use	(1,330)	(3,733)	(16,195)
Proceeds from sales/redemptions of investments in securities	2,062	668	25,109
Purchases of investments in securities	(1,091)	(781)	(13,284)
Purchases of shares of a consolidated subsidiary	—	(1)	—
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	26,675	—
Collection of loans receivable	1	1	14
Other, net	(158)	363	(1,925)
Net cash provided by (used in) investing activities	(516)	23,192	(6,281)
Cash flows from financing activities:			
Increase in short-term borrowings, net	7,372	102,089	89,746
Proceeds from long-term debt	324,018	207,866	3,944,702
Repayment of long-term debt	(330,759)	(396,575)	(4,026,772)
Proceeds from issuance of bonds	44,092	1,500	536,791
Redemption of bonds	(1,500)	(500)	(18,262)
Proceeds from stock issuance to minority shareholders	802	—	9,762
Cash dividends paid	(4,584)	(3,945)	(55,812)
Other, net	(1,152)	(197)	(14,009)
Net cash provided by (used in) financing activities	38,289	(89,762)	466,146
Effect of exchange rate changes on cash and cash equivalents	308	(135)	3,755
Net increase (decrease) in cash and cash equivalents	11,656	(18,153)	141,911
Cash and cash equivalents at beginning of year	32,794	50,947	399,239
Increase due to inclusion in consolidation	81	—	981
Cash and cash equivalents at end of year (Note 12)	¥ 44,531	¥ 32,794	\$ 542,131

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CENTURY TOKYO LEASING CORPORATION AND CONSOLIDATED SUBSIDIARIES
MARCH 31, 2012 AND 2011

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 ¥82.14 = US\$1.00, the approximate rate of exchange in effect on March 31, 2012. 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.

The Company established TCI Finance Corporation and 4 other companies during the fiscal year ended March 31, 2012, which have been newly included in the scope of consolidation.

A total of five companies including TLC Wellness 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, 2012.

The Company established STC SHIPPING PTE.LTD. which has been included as an affiliated company accounted for by the equity method from the fiscal year ended March 31, 2012.

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.

The number of consolidated subsidiaries and affiliated companies for 2012 are as follows:

	2012
Consolidated subsidiaries	92
Affiliated companies	7

In preparing the consolidated financial statements as of March 31, 2012, the financial statements of TLC Freesia Co., Ltd. and 13 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 8 other subsidiaries were consolidated using their financial statements as of their respective fiscal year end, which falls on December 31, 2011 and necessary adjustments were made to their financial statements to reflect any significant transactions from January 1 to March 31, 2012.

TOKYO AUTO LEASING CO.,LTD. and ORICO AUTO LEASING CO.,LTD. changed their fiscal year-end to March 31 from December 31. Accordingly the 2012 financial period includes results of operations and changes in financial position for the 15 months ended March 31, 2012.

The effect of the change of their fiscal year-end for March 31 was as follows:

	Millions of yen		
	From January 1 to March 31, 2011		
	Revenues	Operating income	Income before income taxes
Consolidated subsidiaries:			
TOKYO AUTO LEASING	¥9,844	¥549	¥546
ORICO AUTO LEASING	3,246	122	123
	Thousands of dollars		
	From January 1 to March 31, 2011		
	Revenues	Operating income	Income before income taxes
Consolidated subsidiaries:			
TOKYO AUTO LEASING	\$119,850	\$6,689	\$6,649
ORICO AUTO LEASING	39,521	1,491	1,498

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, 2012 and 2011, 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 3 to 47 years for buildings, and from 3 to 20 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 5 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, forward foreign exchange contracts, currency options and loans from banks in order to hedge interest-rate and foreign currency exchange rate exposure on certain liabilities and assets, including loans from banks, installment sales receivables, loans receivables and forecasted transaction. 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.

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.

3. Standards issued but not yet effective

The Accounting Standards Board of Japan (ASBJ) has issued the following revised pronouncements.

- Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, March 25, 2011)
- Revised Guidance on Disclosures about Certain Special Purpose Entities (ASBJ Guidance No. 15, March 25, 2011)
- Revised Guidance on Determining a Subsidiary and an Affiliate (ASBJ Guidance No. 22, March 25, 2011)
- Revised Practical Solution on Application of the Control Criteria and Influence Criteria to Investment Associations (ASBJ PITF No. 20, March 25, 2011)

The primary purpose of those amendments is to provide a short-term improvement to the existing standards to address the current treatment for consolidation of certain special purpose entities.

Those amendments will be effective for the fiscal year beginning on or after April 1, 2013.

4. Change in Presentation Method

(Consolidated Statements of Income)

Expenses on derivatives in the amount of ¥32 million for the year ended March 31, 2011, which was included in "Other, net," of "Other income (expenses)" was presented as "Expenses on derivatives other than for trading or hedging" from the fiscal year ended March 31, 2012 since the amount of the account exceeded 10% of the total of "Other expenses."

5. Additional Information

Effective April 1, 2011, the Company has adopted the “Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Statement No. 24, December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (ASBJ Guidance No. 24, December 4, 2009). Accordingly, any change in accounting policies and presentations on or after April 1, 2011 and any correction of prior period errors are retrospectively accounted for.

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, 2012 and 2011 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Equity securities	¥ 25,397	¥ 26,653	\$ 309,186
Debt securities	13,199	14,381	160,689
Other	88,001	70,082	1,071,355
	¥126,597	¥111,116	\$1,541,230

The carrying amounts and aggregate fair value of securities with determinable market value at March 31, 2012 and 2011 were as follows:

	Millions of yen			
	March 31, 2012			
	Cost or book value	Unrealized gain	Unrealized loss	Fair value
Available-for-sale securities:				
Equity securities	¥14,304	¥4,925	¥889	¥18,340
Debt securities	12,889	52	42	12,899
Other	24,067	161	351	23,877

	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

	Thousands of U.S. dollars			
	March 31, 2012			
	Cost or book value	Unrealized gain	Unrealized loss	Fair value
Available-for-sale securities:				
Equity securities	\$174,136	\$59,955	\$10,819	\$223,272
Debt securities	156,917	630	511	157,036
Other	293,008	1,972	4,279	290,701

Available-for-sale securities whose fair value was not readily determinable as of March 31, 2012 and 2011 were as follows:

	Carrying amount		Thousands of U.S. dollars
	Millions of yen		2012
	2012	2011	
Available-for-sale:			
Equity securities	¥ 7,057	¥10,875	\$ 85,915
Debt securities	300	650	3,652
Other	64,123	56,375	780,653

Proceeds from sale of available-for-sale securities and the resulting realized gain or loss for the years ended March 31, 2012 and 2011 are summarized as follows:

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Proceeds	¥2,130	¥2,908	\$25,934
Realized gain	747	356	9,095
Realized loss	57	41	696

7. Accumulated Depreciation for Property and Equipment

Accumulated depreciation for property and equipment at March 31, 2012 and 2011 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Leased assets	¥105,421	¥96,560	\$1,283,429
Own assets in use	2,048	2,123	24,935

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

Short-term borrowings at March 31, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars	Weighted- average interest rate
	2012	2011	2012	
Short-term loans from banks	¥285,691	¥281,030	\$ 3,478,094	0.62%
Commercial paper	631,900	630,300	7,692,963	0.14%
Payables under securitized lease receivables	48,000	30,500	584,368	0.36%
Total	¥965,591	¥941,830	\$11,755,425	

Long-term debt at March 31, 2012 and 2011 consisted of the following:

	Millions of yen		Thousands of U.S. dollars	Weighted- average interest rate
	2012	2011	2012	
Long-term loans, principally from banks	¥763,717	¥756,966	\$9,297,745	0.94%
Payables under securitized lease receivables	9,656	41,601	117,553	3.15%
Bonds payable	44,210	1,500	538,227	0.72%
Total	817,583	800,067	9,953,525	
Less current portion	(311,696)	(301,695)	(3,794,689)	
	¥505,887	¥498,372	\$6,158,836	

The Companies have entered into overdraft contracts which provided the Companies with the overdraft facilities with 65 and 65 financial institutions as of March 31, 2012 and 2011 amounting to ¥747,117 million (\$9,095,648 thousand) and ¥733,879 million, respectively. The unused facilities maintained by the Companies as of March 31, 2012 and 2011 amounted to ¥474,969 million (\$5,782,427 thousand) and ¥460,021 million, respectively.

The aggregate annual maturity of long-term debt subsequent to March 31, 2012 is summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2013	¥311,696	\$3,794,689
2014	212,309	2,584,724
2015	180,166	2,193,402
2016	51,608	628,298
2017	39,409	479,774
2018 and thereafter	22,395	272,638
	¥817,583	\$9,953,525

The Companies' assets pledged as collateral, principally for liabilities of ¥101,708 million (\$1,238,229 thousand), at March 31, 2012 were as follows:

	Millions of yen	Thousands of U.S. dollars
Cash on hand and in banks	¥ 2,959	\$ 36,026
Accounts receivable—installment sales	9,608	116,968
Accounts receivable—lease receivables and investment assets	97,405	1,185,844
Leased assets	35,221	428,794
Inventories	662	8,056
Other current assets	5,403	65,775
Accounts receivable—loans	114	1,392
Investments in securities	13	154
Claims provable in bankruptcy or rehabilitation	489	5,952
	¥151,874	\$1,848,961

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, 2012:

	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	¥ 868 (—)	¥ (9)	¥ (9)	\$ 10,565 (—)	\$ (105)	\$ (105)
Non-deliverable forward						
Put/CNY	11,644 (11,099)	(383)	(383)	141,758 (135,126)	(4,667)	(4,667)
Total	¥ 12,512	¥(392)	¥(392)	\$ 152,323	\$(4,772)	\$(4,772)
Interest-rate swap contracts:						
Receive/fixed; Pay/floating	¥ 599 (599)	¥ (9)	¥ (9)	\$ 7,290 (7,290)	\$ (107)	\$ (107)
Pay/fixed; Receive/floating	625 (—)	(2)	(2)	7,609 (—)	(23)	(23)
Interest-rate cap contracts						
Call	599 (—)	0	0	7,290 (—)	0	0
Total	¥ 1,823	¥ (11)	¥ (11)	\$ 22,189	\$ (130)	\$ (130)

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, 2011:

	Millions of yen		
	Notional amount (over one year)	Fair value	Unrealized gain (loss)
Currency swap contracts:			
Receive/USD; Pay/SGD	¥ 905 (905)	¥(18)	¥(18)
Receive/JPY; Pay/SGD	205 (—)	(6)	(6)
Total	¥1,110	¥(24)	¥(24)
Interest-rate swap contracts:			
Receive/fixed; Pay/floating	¥ 629 (629)	¥ (3)	¥ (3)
Pay/fixed; Receive/floating	7,701 (764)	(37)	(37)
Interest-rate cap contracts			
Call	630 (630)	1	1
Total	¥8,960	¥(39)	¥(39)

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, 2012:

	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	¥3,439 (2,120)	¥(90)	\$41,860 (25,812)	\$(1,090)
Call					
USD	Accounts receivable—installment sales	931 (—)	34	11,339 (—)	417
CHF		120 (—)	12	1,458 (—)	147
SGD		3 (—)	0	38 (—)	1
AUD		3 (—)	(0)	31 (—)	(0)
Currency options:					
Call					
USD	Inventories	676 (—)	(2)	8,234 (—)	(25)
Put					
USD	Inventories	676 (—)	(0)	8,234 (—)	(3)
Deferral hedge accounting:					
Forward exchange contracts:					
Put					
USD	Forecasted transaction	1,883 (—)	(3)	22,925 (—)	(38)
Total		¥7,731 (2,120)	¥(49)	\$94,119 (25,812)	\$ (591)

	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	¥ 37,497 (14,653)	¥ (180)	\$ 456,506 (178,397)	\$ (2,193)
Special treatment:					
Receive/fixed; Pay/floating	Borrowings	13,255 (—)	120	161,371 (—)	1,459
Pay/fixed; Receive/floating	Borrowings	133,758 (75,361)	(1,080)	1,628,410 (917,468)	(13,158)
Receive/floating; Pay/floating	Borrowings	4,000 (—)	(1)	48,697 (—)	(7)
Total		¥188,510 (90,014)	¥(1,141)	\$ 2,294,984 (1,095,865)	\$(13,899)

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

Millions of yen			
	Hedged items	Notional amount (over one year)	Fair value
Allocation method:			
Forward exchange contracts:			
Put			
USD	Accounts receivable—installment sales	¥1,319 (873)	¥66
Call			
USD	Accounts receivable—installment sales	2 (—)	0
Deferral hedge accounting:			
Forward exchange contracts:			
Put			
USD	Inventories	712 (—)	10
Call			
USD	Inventories	558 (—)	(3)
Currency options:			
Call			
USD	Inventories	1,146 (—)	2
Put			
USD	Inventories	1,146 (—)	4
Total		¥4,883 (873)	¥79

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	¥ 71,395 (37,795)	¥ (470)
Special treatment:			
Receive/fixed; Pay/floating	Borrowings	23,755 (13,255)	283
Pay/fixed; Receive/floating	Borrowings	186,365 (99,276)	(1,356)
Receive/floating; Pay/floating	Borrowings	10,500 (4,000)	36
Total		¥292,015 (154,326)	¥(1,507)

10. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Employees' salaries, wages and bonuses	¥12,604	¥12,625	\$153,446
Computer related expenses	3,028	3,369	36,867
Allowance for accrued bonuses for employees	1,725	1,639	21,005
Retirement benefit expenses	1,015	741	12,359
Allowance for accrued bonuses for directors	68	73	831
Allowance for retirement benefits for directors	29	29	350
Allowance for doubtful accounts	12	1,139	149

11. Other Comprehensive Income

The following table presents reclassifications adjustments and tax effects allocated to each component of other comprehensive income for the year ended March 31, 2012:

Year Ended March 31, 2012	Millions of yen	Thousands of U.S. dollars
Net unrealized holding gains on securities		
Amount arising during the year	¥ 989	\$12,043
Reclassification adjustments for gains and losses included in net income	28	342
Amount before tax effect	1,017	12,385
Tax effect	(170)	(2,072)
Net unrealized holding gains on securities	847	10,313
Net unrealized losses on derivative instruments		
Amount arising during the year	166	2,021
Reclassification adjustments for gains and losses included in net income	(569)	(6,928)
Amount before tax effect	(403)	(4,907)
Tax effect	250	3,045
Net unrealized losses on derivative instruments	(153)	(1,862)
Translation adjustments		
Amount arising during the year	(650)	(7,909)
Share of other comprehensive loss of affiliates accounted for using equity method		
Amount arising during the year	(45)	(549)
Reclassification adjustments for gains and losses included in net income	(2)	(20)
Share of other comprehensive loss of affiliates accounted for using equity method	(47)	(569)
Loss on change in equity		
Amount arising during the year	(276)	(3,361)
Total other comprehensive loss	¥ (279)	\$ (3,388)

12. Notes to the Consolidated Statements of Cash Flows

Cash and cash equivalents at March 31, 2012 and 2011 are reconciled to the accounts reported in the consolidated balance sheet as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Cash on hand and in banks	¥43,555	¥30,096	\$530,259
Time deposits with maturities of more than three months	(83)	(166)	(1,011)
Cash equivalents included in short-term investment securities	2,000	4,000	24,349
Bank overdrafts	(941)	(1,136)	(11,466)
Cash and cash equivalents	¥44,531	¥32,794	\$542,131

13. Income Taxes

Following the promulgation of the “Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures” (Act No. 114, 2011) and the “Act for Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake” (Act No. 117, 2011) on December 2, 2011, corporate income tax rates will change for consolidated fiscal years starting on or after April 1, 2012. As a result, the effective statutory tax rates used to calculate deferred tax assets and deferred tax liabilities are listed below according to the timing of reversal of temporary differences, etc.

Through March 31, 2012: 40.7%

April 1, 2012 to March 31, 2015: 38.0%

From April 1, 2015: 35.6%

This change in tax rates resulted in a net decrease in deferred tax assets of ¥92 million, increase in income taxes—deferred of ¥347 million, net unrealized holding gains on securities of ¥184 million and net unrealized gains on derivative instruments of ¥70 million.

A reconciliation for the years ended March 31, 2012 and 2011 is not presented because the difference between the statutory tax rate and the effective tax rates is negligible.

Temporary differences and tax loss carry forwards which gave rise to deferred tax assets and liabilities for the years ended March 31, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Deferred tax assets:			
Allowance for doubtful accounts	¥ 464	¥ 1,004	\$ 5,650
Tax adjustments for lease transactions	411	491	4,999
Loss on devaluation of own assets in use	563	580	6,851
Depreciation	1,713	1,442	20,859
Retirement benefits	881	901	10,729
Loss on devaluation of investments in securities	1,856	1,906	22,600
Accrued bonuses	652	673	7,934
Other	2,957	3,232	35,995
Subtotal	9,497	10,229	115,617
Less valuation allowance	(1,272)	(1,558)	(15,481)
Total deferred tax assets	8,225	8,671	100,136
Deferred tax liabilities:			
Net unrealized holding gains on securities	(1,313)	(1,135)	(15,981)
Other	(5,589)	(5,193)	(68,045)
Total deferred tax liabilities	(6,902)	(6,328)	(84,026)
Net deferred tax assets	¥ 1,323	¥ 2,343	\$ 16,110

14. 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.

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, 2012 and 2011 for the Company's and the consolidated domestic subsidiaries' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Projected benefit obligation	¥(9,620)	¥(9,172)	\$(117,117)
Fair value of plan assets	7,588	7,054	92,380
Unfunded benefit obligation	(2,032)	(2,118)	(24,737)
Unrecognized actuarial loss	561	742	6,837
Unrecognized prior service cost	518	405	6,301
Net recognized retirement benefit obligation	¥ (953)	¥ (971)	\$ (11,599)
Prepaid pension and severance costs	—	—	—
Accrued benefit obligation for employees	¥ (953)	¥ (971)	\$ (11,599)

The following summarizes the components of the net periodic pension cost for employees for the years ended March 31, 2012 and 2011:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Service cost	¥ 513	¥ 469	\$ 6,240
Interest cost	183	188	2,225
Expected return on plan assets	(119)	(111)	(1,446)
Amortization of actuarial loss	154	55	1,877
Amortization of prior service cost	(113)	(239)	(1,370)
Contribution to the fund	277	254	3,376
Contribution paid to the defined contribution pension plan	120	125	1,457
Net periodic pension cost	1,015	741	12,359
Loss on transfers between retirement benefit plans	—	1,260	—
Total	¥1,015	¥2,001	\$12,359

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

	2012	2011
Discount rate	2.0~2.5%	2.0~2.5%
Expected rate of return on plan assets	1.5~3.2%	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	five years or accrual basis

The following summarizes the most recent funded status of the multi-employer welfare pension fund as of March 31, 2012 and 2011.

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Amount of plan assets	¥ 60,609	¥ 56,750	\$ 737,874
Benefit obligations under pension funding programs	(75,130)	(70,596)	(914,658)
Difference	¥(14,521)	¥(13,846)	\$(176,784)

The difference at March 31, 2012 above consisted of prior service cost under pension funding programs of ¥7,967 million (\$96,993 thousand) and a general reserve of ¥6,554 million (\$79,791 thousand).

For the year ended March 31, 2012, the ratio of the Company's contributions against total contributions to the plan was 4.92%.

15. 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, 2012 and 2011 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Future lease receivables	¥1,128,573	¥1,201,949	\$13,739,627
Estimated residual value	37,668	39,232	458,596
Future interest income	(75,886)	(92,470)	(923,871)
	¥1,090,355	¥1,148,711	\$13,274,352

The aggregate annual maturity of finance lease receivables that transfer ownership to the lessees, subsequent to March 31, 2012 and 2011, is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Due within one year	¥ 56,706	¥ 39,502	\$ 690,361
Due after one to two years	44,871	28,405	546,276
Due after two to three years	31,085	20,796	378,445
Due after three to four years	18,034	12,939	219,550
Due after four to five years	7,477	6,025	91,027
Due after five years	6,944	5,250	84,529
	¥165,117	¥112,917	\$2,010,188

The aggregate annual maturity of finance lease receivables that do not transfer ownership to the lessees, subsequent to March 31, 2012 and 2011, is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Due within one year	¥ 398,278	¥ 430,377	\$ 4,848,774
Due after one to two years	286,613	308,029	3,489,327
Due after two to three years	196,140	211,730	2,387,869
Due after three to four years	128,305	125,696	1,562,027
Due after four to five years	66,219	66,302	806,170
Due after five years	53,018	59,815	645,460
	¥1,128,573	¥1,201,949	\$13,739,627

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 ¥7,890 million (\$96,052 thousand) and ¥7,757 million for the years ended March 31, 2012 and 2011, 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, 2012 and 2011 under non-cancellable operating leases is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Due within one year	¥25,729	¥25,068	\$ 313,235
Due after one years	65,788	67,105	800,920
	¥91,517	¥92,173	\$1,114,155

16. Commitments and Contingent Liabilities

The Companies' contingent liabilities at March 31, 2012 and 2011 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
As a guarantor of indebtedness of:			
Loans and others	¥60,575	¥39,090	\$737,462
Asset purchases	2,597	2,577	31,612
Employees' housing loans	250	307	3,048
	¥63,422	¥41,974	\$772,122

The Companies, as lenders, have loan commitment agreements as of March 31, 2012 and 2011 amounting to ¥34,093 million (\$415,054 thousand) and ¥24,474 million, respectively. The loans provided under these credit facilities as of March 31, 2012 and 2011 amounted to ¥7,213 million (\$87,807 thousand) and ¥4,737 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.

17. Estimated Fair Value of Financial Instruments

The following table presents the carrying value and estimated fair value of financial instruments at March 31, 2012 and 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, 2012		
	Carrying value	Estimated fair value	Difference
Assets			
(1) Cash on hand and in banks	¥ 43,555	¥ 43,555	¥ —
(2) Accounts receivable—installment sales	198,890		
Deferred profit on installment sales	(10,904)		
	187,986		
Allowance for doubtful accounts*1	(1,035)		
	186,951	190,446	3,495
(3) Accounts receivable—lease receivables and investment assets	1,247,752		
Estimated residual value*2	(37,668)		
	1,210,084		
Allowance for doubtful accounts*1	(3,285)		
	1,206,799	1,248,613	41,814
(4) Accounts receivable—loans	430,903		
Allowance for doubtful accounts*1	(2,447)		
	428,456	440,369	11,913
(5) Operational investment securities	34,777	34,777	—
(6) Short-term investment securities and investments in securities	20,339	20,339	—
(7) Claims provable in bankruptcy or rehabilitation	5,242		
Allowance for doubtful accounts*1	(2,217)		
	3,025	3,025	—
Total assets	¥1,923,902	¥1,981,124	¥ 57,222
Liabilities			
(1) Notes and accounts payable—trade	¥ 150,374	¥ 150,374	¥ —
(2) Short-term loans from banks	285,691	285,691	—
(3) Commercial paper	631,900	631,900	—
(4) Payables under securitized lease receivables	48,000	48,000	—
(5) Bonds payable	44,210	43,613	597
(6) Long-term loans, principally from banks	763,717	774,227	(10,510)
(7) Long-term payables under securitized lease receivables	9,656	9,969	(313)
(8) Lease obligations	18,939	18,558	381
Total liabilities	¥1,952,487	¥1,962,332	¥ (9,845)
Derivatives			
Hedge accounting not applied	¥ (403)	¥ (403)	¥ —
Hedge accounting applied	(183)	(1,190)	(1,007)
Total derivatives	¥ (586)	¥ (1,593)	¥ (1,007)

	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) Bonds payable	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, 2012			
	Carrying value	Estimated fair value	Difference
Assets			
(1) Cash on hand and in banks	\$ 530,259	\$ 530,259	\$ —
(2) Accounts receivable—installment sales	2,421,349		
Deferred profit on installment sales	(132,744)		
	2,288,605		
Allowance for doubtful accounts* ¹	(12,605)		
	2,276,000	2,318,549	42,549
(3) Accounts receivable—lease receivables and investment assets	15,190,547		
Estimated residual value* ²	(458,596)		
	14,731,951		
Allowance for doubtful accounts* ¹	(39,996)		
	14,691,955	15,201,022	509,067
(4) Accounts receivable—loans	5,245,958		
Allowance for doubtful accounts* ¹	(29,787)		
	5,216,171	5,361,200	145,029
(5) Operational investment securities	423,391	423,391	—
(6) Short-term investment securities and investments in securities	247,618	247,618	—
(7) Claims provable in bankruptcy or rehabilitation	63,822		
Allowance for doubtful accounts* ¹	(26,987)		
	36,835	36,835	—
Total assets	\$23,422,229	\$24,118,874	\$696,645
Liabilities			
(1) Notes and accounts payable—trade	\$ 1,830,706	\$ 1,830,706	\$ —
(2) Short-term loans from banks	3,478,094	3,478,094	—
(3) Commercial paper	7,692,963	7,692,963	—
(4) Payables under securitized lease receivables	584,368	584,368	—
(5) Bonds payable	538,227	530,960	7,267
(6) Long-term loans, principally from banks	9,297,745	9,425,694	(127,949)
(7) Long-term payables under securitized lease receivables	117,553	121,361	(3,808)
(8) Lease obligations	230,565	225,935	4,630
Total liabilities	\$23,770,221	\$23,890,081	\$(119,860)
Derivatives			
Hedge accounting not applied	\$ (4,902)	\$ (4,902)	\$ —
Hedge accounting applied	(2,231)	(14,490)	(12,259)
Total derivatives	\$ (7,133)	\$ (19,392)	\$ (12,259)

*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) 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) Bonds payable, (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

Description	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Unlisted shares	¥23,762	¥25,433	\$ 289,292
Bonds	300	650	3,652
Trust beneficiary rights	4,465	7,105	54,361
Preferred equity investment securities	4,161	—	50,652
Investments in limited partnerships, etc.	55,497	49,270	675,640
Total	¥88,185	¥82,458	\$1,073,597

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, 2012 and 2011

Description	Millions of yen					
	As of March 31, 2012					
	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	¥ 43,555	¥ —	¥ —	¥ —	¥ —	¥ —
Accounts receivable—installment sales	66,759	56,119	31,396	21,337	12,610	10,669
Accounts receivable—loans	170,967	82,272	46,857	39,224	45,792	45,791
Operational investment securities:						
Available-for-sale securities with maturities						
(1) Bonds	2,035	7,009	2,787	335	—	29
(2) Other	11,263	3,563	1,541	744	2,080	19,236
Short-term investment securities and investments in securities:						
Available-for-sale securities with maturities						
(1) Bonds	—	—	—	—	—	—
(2) Other	2,000	—	—	—	—	—
Total	¥296,579	¥148,963	¥82,581	¥61,640	¥60,482	¥75,725

	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, 2012					
	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	\$ 530,259	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts receivable—installment sales	812,748	683,208	382,220	259,763	153,519	129,891
Accounts receivable—loans	2,081,407	1,001,611	570,456	477,528	557,489	557,467
Operational investment securities:						
Available-for-sale securities with maturities						
(1) Bonds	24,771	85,330	33,930	4,073	—	361
(2) Other	137,119	43,381	18,759	9,055	25,327	234,187
Short-term investment securities and investments in securities:						
Available-for-sale securities with maturities						
(1) Bonds	—	—	—	—	—	—
(2) Other	24,349	—	—	—	—	—
Total	\$3,610,653	\$1,813,530	\$1,005,365	\$750,419	\$736,335	\$921,906

The redemption schedules for long-term debt and lease receivables and lease investment assets are disclosed in Note 8 and Note 15, respectively.

18. Dividends

(1) Dividends paid to shareholders

For the year ended March 31, 2012

(Date of approval) Resolution approved by	Type of shares	Amount	Amount per share	Shareholders' cut-off date	Effective date
		Millions of yen Thousands of U.S. dollars	Yen U.S. dollars		
(June 23, 2011) Annual general meeting of shareholders	Common stock	¥2,239 \$27,256	¥21.0 \$0.26	March 31, 2011	June 24, 2011
(October 31, 2011) Board of directors	Common stock	¥2,345 \$28,555	¥22.0 \$0.27	September 30, 2011	December 9, 2011

For the year ended March 31, 2011

(Date of approval) Resolution approved by	Type of shares	Amount	Amount per share	Shareholders' cut-off date	Effective date
		Millions of yen	Yen		
(June 24, 2010) Annual general meeting of shareholders	Common stock	¥1,919	¥18.0	March 31, 2010	June 25, 2010
(November 4, 2010) Board of directors	Common stock	¥2,026	¥19.0	September 30, 2010	December 10, 2010

(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	Amount per share	Shareholders' cut-off date	Effective date
		Millions of yen Thousands of U.S. dollars	Yen U.S. dollars		
(June 21, 2012) Annual general meeting of shareholders	Common stock (Retained earnings)	¥2,338 \$28,459	¥22.0 \$0.27	March 31, 2012	June 22, 2012

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." in Note 2.

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

	Millions of yen				
	Year ended March 31, 2012				
	Reporting segment				Total
Leasing and installment sales	Finance	Subtotal	Other		
Revenues, profit and assets by reportable segments					
Revenue from customers	¥ 692,723	¥ 14,031	¥ 706,754	¥ 9,588	¥ 716,342
Intersegment revenue	—	—	—	794	794
Total sales	692,723	14,031	706,754	10,382	717,136
Segment profit	¥ 41,212	¥ 6,685	¥ 47,897	¥ 1,807	¥ 49,704
Segment assets	¥1,626,356	¥541,320	¥2,167,676	¥ 6,806	¥2,174,482
Other items					
Depreciation	¥ 28,560	—	¥ 28,560	—	¥ 28,560
Increase in property and equipment and intangible assets	30,945	—	30,945	—	30,945

	Millions of yen				
	Year ended March 31, 2011				
	Reporting segment				Total
Leasing and installment sales	Finance	Subtotal	Other		
Revenues, profit and assets by reportable segments					
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
Other items					
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, 2012				
	Reporting segment				
	Leasing and installment sales	Finance	Subtotal	Other	Total
Revenues, profit and assets by reportable segments					
Revenue from customers	\$ 8,433,440	\$ 170,817	\$ 8,604,257	\$116,733	\$ 8,720,990
Intersegment revenue	—	—	—	9,668	9,668
Total sales	8,433,440	170,817	8,604,257	126,401	8,730,658
Segment profit	\$ 501,730	\$ 81,382	\$ 583,112	\$ 21,998	\$ 605,110
Segment assets	\$19,799,800	\$6,590,212	\$26,390,012	\$ 82,867	\$26,472,879
Other items					
Depreciation	\$ 347,698	—	\$ 347,698	—	\$ 347,698
Increase in property and equipment and intangible assets	376,739	—	376,739	—	376,739

4. Difference between the total of reportable segments 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
	2012	2011	2012
Revenues			
Reportable segments total	¥706,754	¥706,250	\$8,604,257
Revenues attributable to other segment	10,382	7,373	126,401
Intersegment eliminations	(794)	(441)	(9,668)
Revenues on consolidated statements of income	¥716,342	¥713,182	\$8,720,990

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Profit			
Reportable segments total	¥47,897	¥48,360	\$583,112
Profit attributable to other segment	1,807	1,342	21,998
Intersegment eliminations	(794)	(441)	(9,668)
General and administrative expenses not attributable to reportable segment	(7,032)	(8,227)	(85,608)
Operating income on consolidated statements of income	¥41,878	¥41,034	\$509,834

	Millions of yen		Thousands of U.S. dollars
	2012	2011	2012
Assets			
Reportable segments total	¥2,167,676	¥2,097,765	\$26,390,012
Assets attributable to other segment	6,806	9,166	82,867
Assets not attribute to reportable segment	85,907	77,668	1,045,858
Total assets on consolidated balance sheets	¥2,260,389	¥2,184,599	\$27,518,737

	Millions of yen							
	Reporting segment total		Other		Adjustments		Consolidated	
	2012	2011	2012	2011	2012	2011	2012	2011
Other items								
Depreciation	¥28,560	¥26,847	¥ —	¥ —	¥2,990	¥2,727	¥31,550	¥29,574
Increase in property and equipment and intangible assets	30,945	29,420	—	—	1,379	3,832	32,324	33,252

	Thousands of U.S. dollars			
	Reporting segment total		Other	Consolidated
	2012	2012	2012	2012
Other items				
Depreciation	\$347,698	\$—	\$36,405	\$384,103
Increase in property and equipment and intangible assets	376,739	—	16,785	393,524

Information by products and services

Millions of yen						
March 31, 2012						
	Finance lease	Operating lease	Installment sales	Finance	Other	Total
Revenue from customers	¥535,779	¥67,989	¥88,955	¥14,031	¥9,588	¥716,342
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, 2012						
	Finance lease	Operating lease	Installment sales	Finance	Other	Total
Revenue from customers	\$6,522,740	\$ 827,729	\$ 1,082,971	\$170,817	\$ 116,733	\$ 8,720,990

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, 2012 and 2011 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, 2012 and 2011 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, 2012 and 2011 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
	2012	2011	2012
Net assets	¥1,796.62	¥1,594.57	\$21.87
Net income	245.82	221.80	2.99

Under Statement No. 2, the "Accounting Standard for Earnings Per Share" 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 years ended March 31, 2012 and 2011 was 106,558 and 106,613 thousand shares, respectively.

Diluted net income per share of common stock has not been presented because there were no potential 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 third unsecured bond (with inter-bond pari passu clause) on April 27, 2012. The details are as follows:

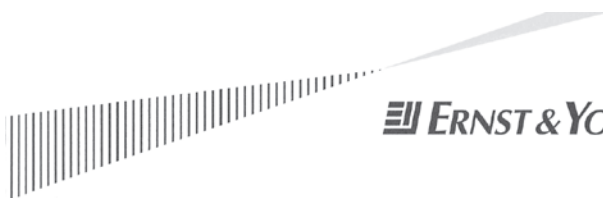
- (a) Total amount issued: ¥20,000 million (\$243,487 thousand)
- (b) Issuance price: ¥100 (\$1.22) per ¥100 (\$1.22) of face value
- (c) Interest rate: 0.53% per annum
- (d) Redemption price: ¥100 (\$1.22) per ¥100 (\$1.22) of face value
- (e) Redemption date: April 27, 2015
- (f) Payment date: April 27, 2012
- (g) Collateral:

This bond is without any collateral or guaranty and there are no assets reserved for this debenture.

- (h) Application of the fund:

For the purchase of leased property

REPORT OF INDEPENDENT AUDITORS


ERNST & YOUNG

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Independent Auditor's Report

The Board of Directors
 Century Tokyo Leasing Corporation

We have audited the accompanying consolidated financial statements of Century Tokyo Leasing Corporation and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2012, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Century Tokyo Leasing Corporation and consolidated subsidiaries as at March 31, 2012, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 1.

Ernst & Young ShinNihon LLC

June 15, 2012

Tokyo, Japan

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

TC PROPERTY SOLUTIONS CORPORATION

Uchikanda 282 Bldg., 15-9, Uchikanda 2-chome,
Chiyoda-ku, Tokyo 101-0047
Telephone: 81-3-5298-6275
Date Founded: October 2011
Paid-in Capital: ¥100 million
Voting Shares: 100%
Main Business Operations: Property management business

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

TC BUSINESS SERVICE CORPORATION

Nittochi Okachimachi Bldg., 2-27-5 Taito, Taito-ku,
Tokyo 110-0016
Telephone: 81-3-5818-8076
Date Founded: June 2004
Paid-in Capital: ¥20 million
Voting Shares: 100%
Main Business Operations: Business processing services for
the Group

TC BUSINESS EXPERTS CORPORATION

Nittochi Okachimachi Bldg., 2-27-5 Taito, Taito-ku,
Tokyo 110-0016
Telephone: 81-3-5818-8501
Date Founded: April 2010
Paid-in Capital: ¥10 million
Voting Shares: 100%
Main Business Operations: Business inspection services for
the Group

Consolidated Subsidiaries (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.

8 Cross Street, #09-04/05 PWC Building, Singapore 048424

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 22.02, Level 22, Menara Citibank, 165, Jalan Ampang, 50450 Kuala Lumpur, Malaysia
Telephone: 60-3-2162-9633

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 202, 3020 Westchester Avenue, Purchase, NY 10577, U.S.A.

Telephone: 1-914-697-9030

Date Founded: December 1985

Paid-in Capital: US\$26,513 thousand

Voting Shares: 100%

Main Business Operations: General leasing

TOKYO LEASING (UK) PLC

1st Floor, Kingsbridge House, Pinner, Middlesex HA5 5LX, U.K.

Telephone: 44-20-8429-1963

Date Founded: May 1983

Paid-in Capital: STG£6,655 thousand

Voting Shares: 100%

Main Business Operations: General leasing

Equity-Method Affiliates

NIPPON CAR SOLUTIONS CO.,LTD.

Seavans North Bldg., 1-2-1 Shibaura, Minato-Ku, Tokyo 105-0023

Telephone: 81-3-6436-1190

Date Founded: February 1987

Paid-in Capital: ¥981 million

Voting Shares: 50%

Main Business Operations: Automobile leasing

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: 22%

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, Bangkok, 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, 2012

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

Stock Listing: Tokyo Stock Exchange, First Section

Securities Code: 8439

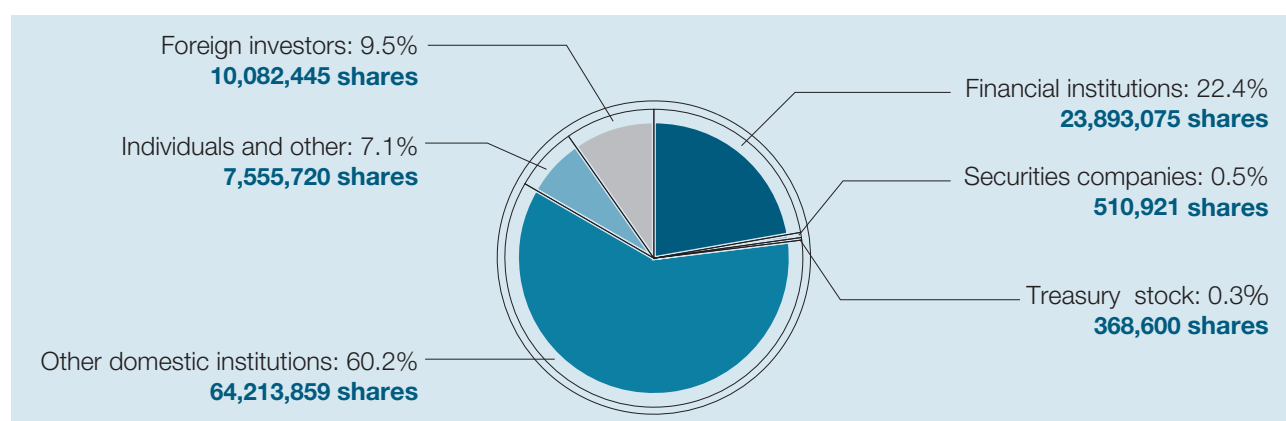
Trading Lot Size: 100 shares

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

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

Number of Shareholders: 12,331

Breakdown of Shareholders



Major Shareholders

Shareholders	Number of shares held (1,000 shares)	Percentage of shares outstanding (%)
ITOCHU Corporation	26,656	25.0
Nippon Tochi-Tatemono Co., Ltd.*	11,504	10.8
KSO Co., Ltd.	9,963	9.3
Mizuho Corporate Bank, Ltd.	4,649	4.4
Nissin Tatemono Co., Ltd.	3,537	3.3
Japan Trustee Services Bank, Ltd. (Trust accounts)	3,155	3.0
Seiwa Sogo Tatemono Co., Ltd.	2,972	2.8
The Master Trust Bank of Japan, Ltd. (Trust accounts)	2,371	2.2
Kanyu Enterprise Co., Ltd.*	2,327	2.2
Nippon Life Insurance Company	2,228	2.1

*Nippon Tochi-Tatemono Co., Ltd. and Kanyu Enterprise Co., Ltd. merged on April 1, 2012, resulting in the liquidation of Kanyu Enterprise Co., Ltd. Thereafter, a report was received from Nippon Tochi-Tatemono Co., Ltd. outlining that company's ownership of 11,831,700 shares, or 11.1%, of Century Tokyo Leasing Corporation's shares.

Bond Ratings (As of February 14, 2012)

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)	(Issuer Rating)
	Rating: A	Rating: A-
	Outlook: Positive	Outlook: Positive
	(Preliminary Rating for Bonds Registered for Issuance)*	(Preliminary Rating for Bonds Registered for Issuance)*
	Rating: A	Rating: A-
	Expected Issue Amount: ¥150 billion	Expected Issue Amount: ¥150 billion
	Issue Period: Two Years Beginning February 14, 2012	Issue Period: Two Years Beginning February 14, 2012
	(Euro Medium-Term Note Program)	(Euro Medium-Term Note Program)
	Rating: A	Rating: A-
	Maximum Outstanding Amount: Equivalent of US\$1 billion	Maximum Outstanding Amount: Equivalent of US\$1 billion
	(Commercial Paper)	(Commercial Paper)
	Rating: J-1	Rating: a-1
Short-term	Maximum Outstanding Amount: ¥650 billion	Maximum Outstanding Amount: ¥650 billion

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

CORPORATE INFORMATION

Company Name

Century Tokyo Leasing Corporation (Abbreviation: TC-Lease)

Head Office

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

1,722 (1,097 on a non-consolidated basis) (as of March 31, 2012)

Closing of Accounts

March 31

Major Banks

Mizuho Corporate Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited; Mitsubishi UFJ Trust and Banking Corporation; The Norinchukin Bank; Nippon Life Insurance Company

Independent Auditor

Ernst & Young ShinNihon LLC

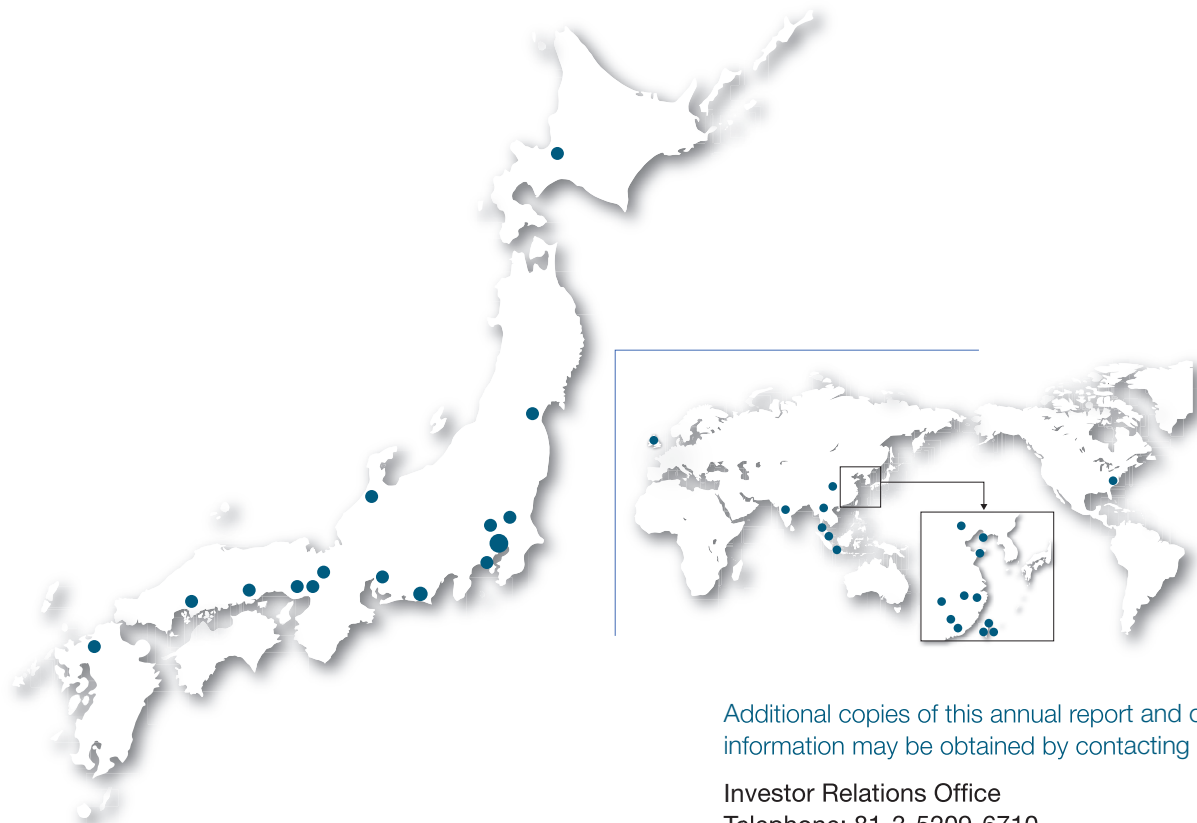
Network

Domestic

Head Office, Sapporo, Sendai, Tsukuba, Saitama, Tachikawa, Yokohama, Shizuoka, Nagoya, Kanazawa, Kyoto, Osaka, Kobe, Okayama, Hiroshima, Fukuoka

Overseas

Shanghai, Beijing, Dalian, Qingdao, Suzhou, Wuhan, Chengdu, Guangzhou, Hong Kong, Taipei, Taichung, Kaohsiung, Bangkok, Kuala Lumpur, Singapore, Jakarta, Mumbai, 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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Printed in Japan