

Growing with



**Become a robust
comprehensive financial
services enterprise and
realize further innovative
changes as well as
sustainable growth**

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.

Century Tokyo Leasing Group operates in a wide array of businesses. Our industry-leading equipment leasing business has a customer base of approximately 25,000 companies in Japan and emphasizes our strengths in information and communications equipment. Our specialty financing business includes ships, aircraft, environment and energy, real estate, and medicine and healthcare, while our industry-leading automobile financing business includes automobile leasing to corporations and individuals and car rental. Our international business encompasses an extensive industry-leading network of businesses in Asia that spans East Asia, ASEAN and India, as well as Europe and the Americas.

During our second medium-term management plan, which culminates at the end of fiscal 2015, our basic policy is to become a robust comprehensive financial services enterprise and realize further innovative changes as well as sustainable growth. Unconstrained by our traditional business model, we will fully leverage our strengths and take new directions in services to become a robust comprehensive financial services enterprise while continuing to innovate and generate sustainable growth.

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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.

Century Tokyo Leasing Group has consistently grown alongside its customers.

Ordinary Income

¥60.7 billion

10.0% year-on-year increase. Record for the sixth consecutive fiscal year.

Net Income

¥34.1 billion

3.3% year-on-year increase. Record for the fourth consecutive fiscal year.

Operating Assets (Including Business Guarantees)

¥2,914.2 billion

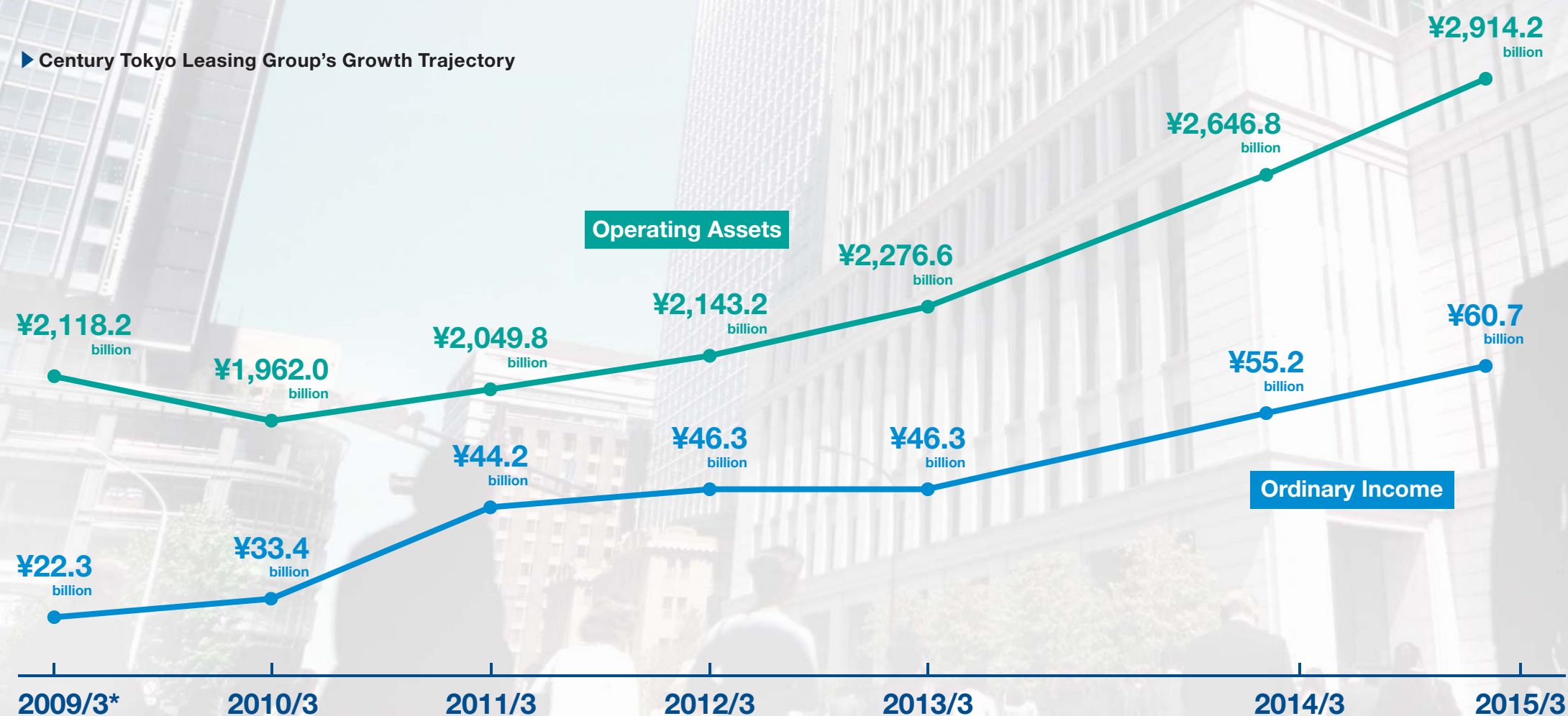
Operating assets including business guarantees increased 10.1% from a year earlier. Record for the fourth consecutive fiscal year.

ROE (Ratio of net income to shareholders' equity)

12.5%

Over 12% for the sixth consecutive fiscal year because of our strong profitability and operating efficiency. Our strategy is to maintain ROE at a level significantly higher than our peers.

Century Tokyo Leasing Group's Growth Trajectory



*Data for the year ended March 31, 2009, the year immediately prior to the merger on April 1, 2009, is a simple aggregation of data for the former Century Leasing System, Inc. and the former Tokyo Leasing Co., Ltd.

Growing with our customers

Century Tokyo Leasing Group has accelerated its growth by generating record ordinary income for the sixth consecutive fiscal year since April 2008 (simple sum of pre-merger company results for fiscal 2008) and record net income for four consecutive fiscal years. We have also maintained the key performance indicators of return on assets (ROA) and return on equity (ROE) at the high levels of approximately 2.2% and 14%, respectively, for the past several years and have generated growth in earnings per share (EPS) of 10% for the fourth consecutive fiscal year.

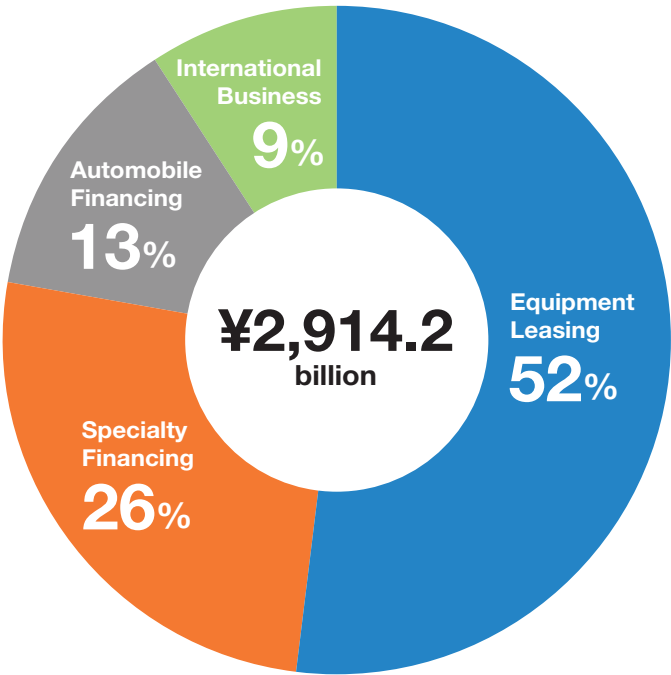
We will continue to emphasize these key performance indicators, and intend to further increase ROA and maintain our established pace of EPS growth to keep ROE at a high level.

We have transformed our business portfolio and deliver value in a wide array of markets.

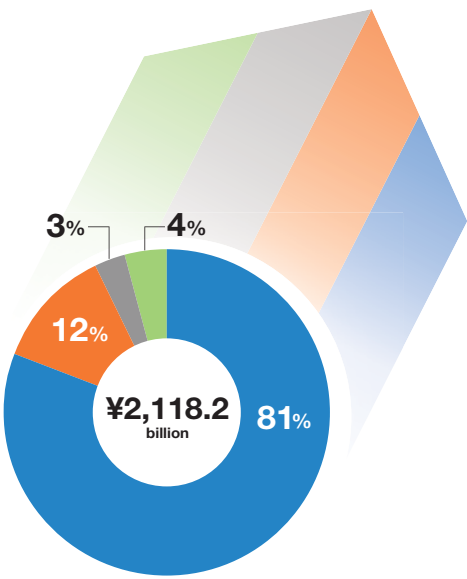
► Operating Assets* in Four Growing Businesses

Driving the growth of Century Tokyo Leasing Group are four core business segments that have evolved and expanded to meet customer needs. The first is equipment leasing. The other three are the highly profitable specialty financing, automobile financing and international businesses, which are growing rapidly.

* Including business guarantees



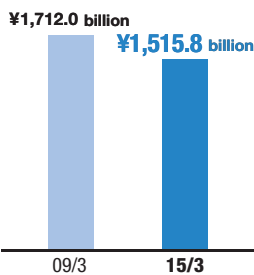
As of March 31, 2015



As of March 31, 2009

Equipment Leasing

For details, see [pages 26-27](#)

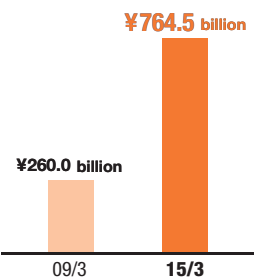


Equipment leasing leverages the Group's comprehensive capabilities and potent customer base to provide products and services spanning a broad array of machinery and equipment including information and communications equipment, factory equipment, medical devices, construction equipment and commercial equipment.



Specialty Financing

For details, see [pages 28-29](#)

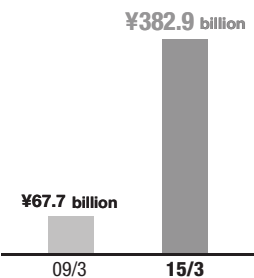


We have acquired specialized knowledge of various products to create new growth fields beyond leasing and financing services. We are concentrating on four areas: ships, aircraft, environment and energy, and real estate.



Automobile Financing

For details, see [pages 30-31](#)

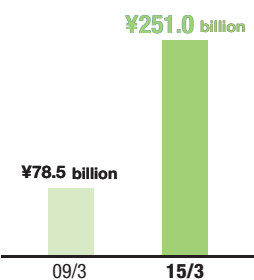


We offer automobile leasing for companies and individuals as well as car rental with a leading lineup of services in Japan, providing optimum services according to the customer's intended use. Overseas, we also offer a full lineup of products including automobile leasing and loans to meet customer needs.



International Business

For details, see [pages 32-33](#)



Overseas, we provide local financial support to Japanese corporations and cooperate with local partners, financial institutions, manufacturers and dealers to meet customer needs and provide specialized services that meet the unique requirements of the regions we serve.



We create value beyond the leasing business

▶ Group Network

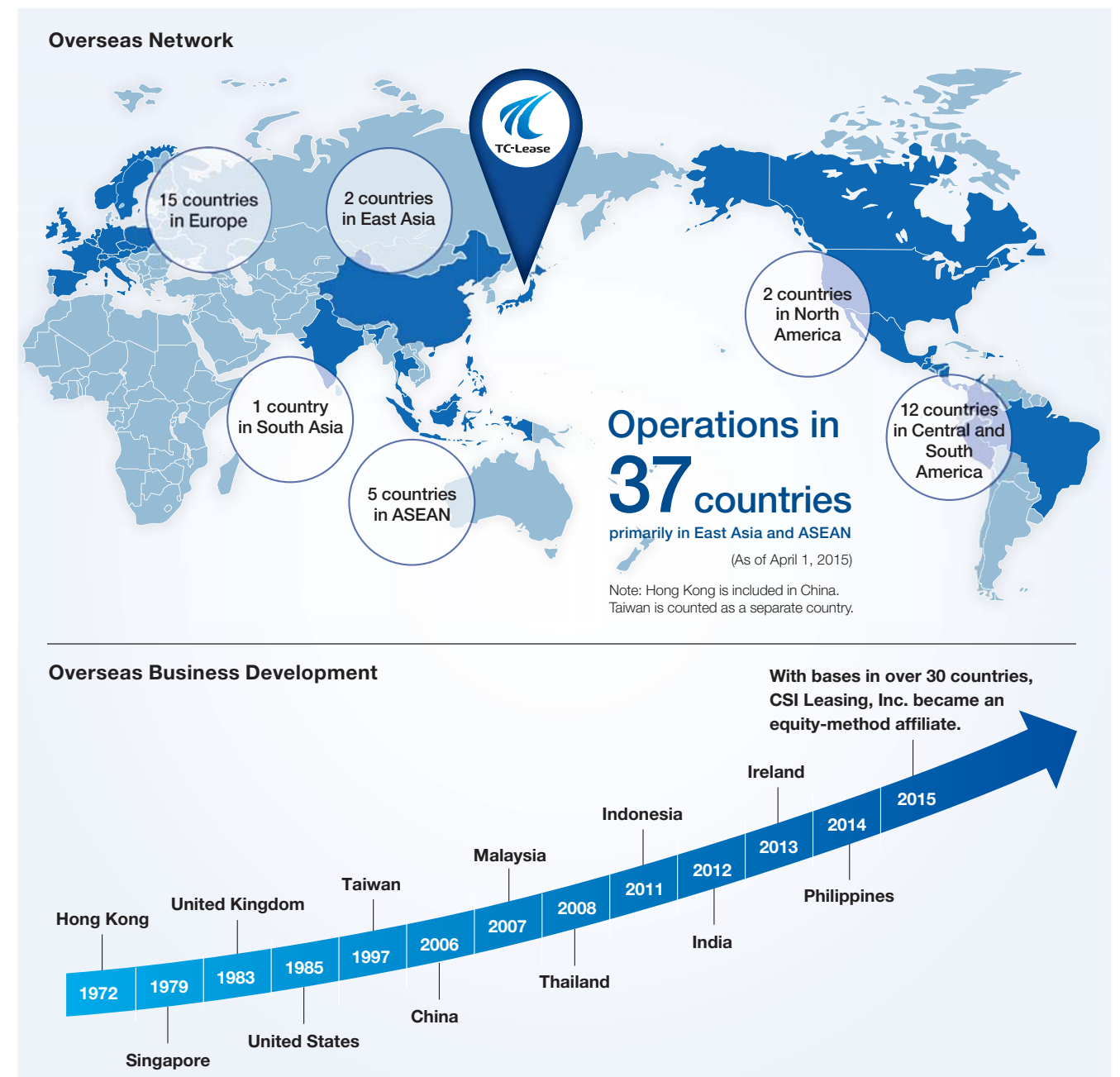
Century Tokyo Leasing Group's strengths are the experience and expertise it has developed and its powerful network of relationships with leading companies in Japan and overseas. We combine our ability to provide services, our network of partner companies, and our product appeal to create additional value that precisely meets customer needs.



by concentrating our Group strengths.

▶ Overseas Operations

Century Tokyo Leasing Group has been operating overseas since 1972. As of April 1, 2015, our network spanned 37 countries worldwide. We support capital investment by Japanese companies advancing overseas and offer financing programs to the sales companies of manufacturers and dealers that sell facilities and equipment to non-Japanese companies. The overseas network that we have built up over the past 40 years is our foundation as we leverage the unique expertise we have developed in the Japanese market to expand in rapidly growing overseas markets by providing services that align with customer and local needs.

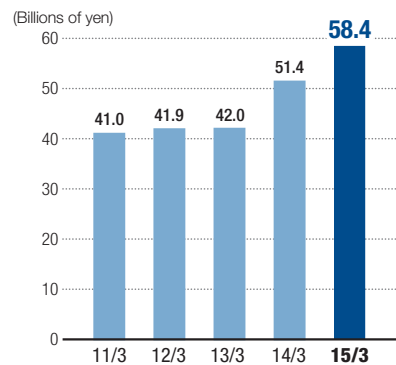


► Highlights for the Year Ended March 31, 2015

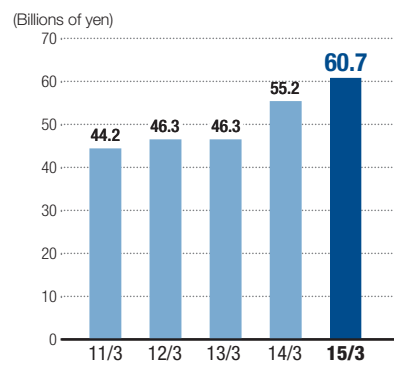
Ordinary Income ¥60.7 billion	Total revenues increased 6.6% year on year to ¥883.0 billion due to factors including an increase in financing revenues from the consolidation of an automobile financing company during the fiscal year. Ordinary income increased 10.0% year on year to ¥60.7 billion, a record for the sixth consecutive fiscal year.
Operating Assets ¥2,914.2 billion ROA ¹ 2.2%	Operating assets including business guarantees increased 10.1% from a year earlier to a record ¥2,914.2 billion. By segment, leasing and installment sales accounted for ¥2,154.3 billion, financing for ¥747.8 billion, and other for ¥12.0 billion. ROA has remained at a relatively high level of 2.2% for the past several years.
Total Assets ¥3,151.9 billion	Total assets increased 9.3% from a year earlier to ¥3,151.9 billion due to the increase in operating assets.

1. Ratio of ordinary income to operating assets

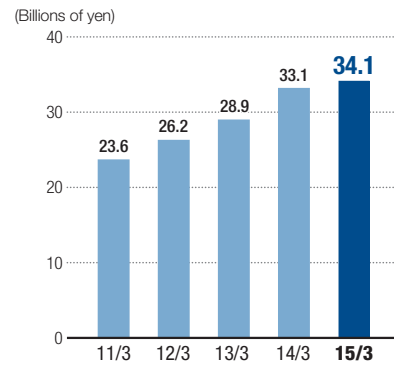
■ Operating Income



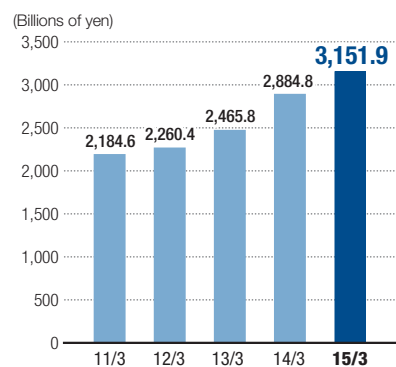
■ Ordinary Income



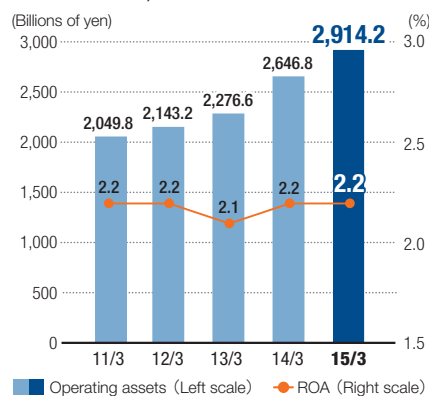
■ Net Income



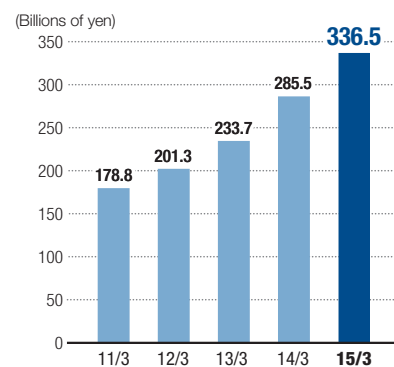
■ Total Assets



■ Operating Assets (Including Business Guarantees) & ROA



■ Net Assets



Net Income per Share

¥322.84

ROE²

12.5%

Net income per share increased for the fourth consecutive year, gaining 3.6% year on year to ¥322.84. ROE decreased 1.4 percentage points to 12.5% because shareholders' equity increased 16.0% from a year earlier.

New Transactions Volume

¥1,474.1 billion

The new transactions volume increased 4.6% year on year to ¥1,474.1 billion, a record for the fifth consecutive fiscal year due to factors including a 12.3% increase in the financing segment.

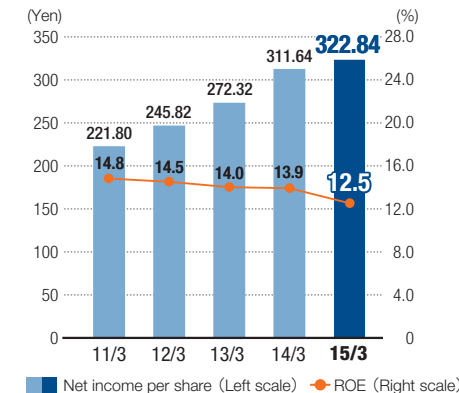
Dividends per Share

¥65

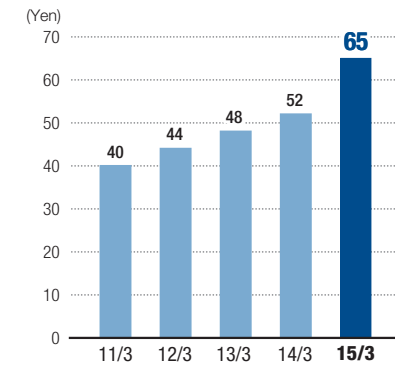
Dividends per share increased ¥13 year on year to ¥65, a record for the sixth consecutive fiscal year. The payout ratio increased 3.4 points year on year to 20.1%, reflecting our emphasis on the balance between shareholder returns and growth investment.

2. Ratio of net income to shareholders' equity

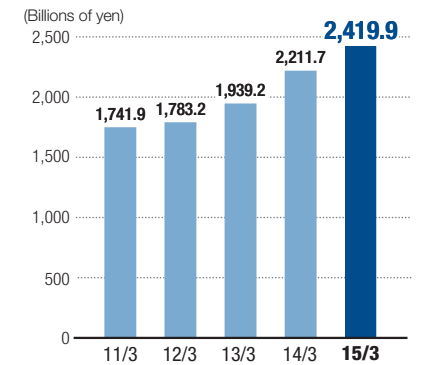
■ Net Income per Share & ROE³



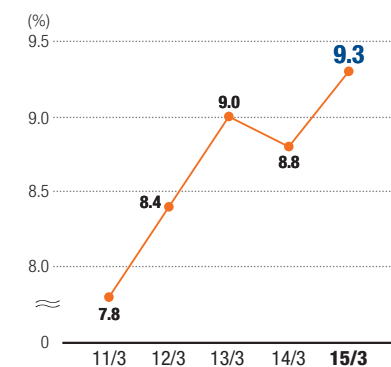
■ Dividends per Share



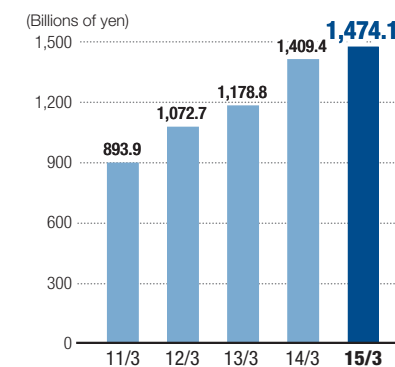
■ Interest-bearing Debt



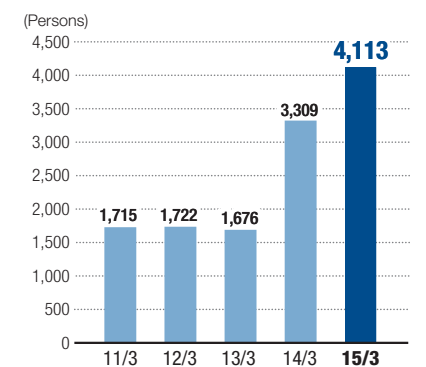
■ Shareholders' Equity Ratio



■ New Transactions Volume



■ Number of Employees



3. The average ROE of companies listed on the First Section of the Tokyo Stock Exchange was 8.16% for fiscal 2014 (as of June 30, 2015; source: Tokyo Stock Exchange website).

Strategy

Management Strategy

**Generate significant growth by expanding our businesses.
Target additional growth.**

Century Tokyo Leasing Group is executing its second medium-term management plan with a fundamental policy of becoming a robust comprehensive financial services enterprise and realizing further innovative changes as well as sustainable growth. Unconstrained by our conventional business model and markets, we will achieve sustainable growth with a view toward expanding our businesses by entering growth markets.

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Focused on Results

Century Tokyo Leasing Group has consistently exceeded its management targets by steadily executing its strategy of fully leveraging its unique strengths. Our superior earning capabilities have created a virtuous cycle for amassing the operating assets, including business guarantees, that are the source of future earnings. This cycle is well regarded in capital markets, and as a result our market capitalization has grown significantly since the merger that created the Group.

Significant Income Growth

Ordinary income: ¥60.7 billion

From the fiscal year immediately prior to the merger¹

Record ordinary income for six consecutive fiscal years

Record Operating Assets

Operating assets including business guarantees: ¥2,914.2 billion

Record operating assets for four consecutive fiscal years

Profitability and Productivity Remain High

ROA: 2.2%

Over 2.1% for five consecutive fiscal years

Top-Class ROE in Japan's Financial Sector

ROE: 12.5%

Over 12.0% for six consecutive fiscal years

Significant Growth in Market Capitalization

Market capitalization:
Approximately ¥390 billion²

About sixfold growth since the merger

Stable Shareholder Returns Balanced with Growth Investments

Committed to a 20% payout ratio
From the fiscal year immediately prior to the merger¹

Dividend increases for six consecutive fiscal years

1. Data for the year ended March 31, 2009, the year immediately prior to the merger on April 1, 2009, is a simple aggregation of data for the former Century Leasing System, Inc. and the former Tokyo Leasing Co., Ltd.
2. Calculated using closing share price as of March 31, 2015.

Further Growth after Record Earnings for Six Consecutive Fiscal Years

Century Tokyo Leasing Group has steadily improved its results compared with the fiscal year prior to the merger. Operating assets including business guarantees totaled ¥2,914.2 billion as of March 31, 2015, or about 1.4 times the total as of March 31, 2009. Ordinary income for fiscal 2014, the year ended March 31, 2015, was ¥60.7 billion. This was about 2.7 times the total for fiscal 2008, the year ended March 31, 2009, and a record for the sixth consecutive year since the fiscal year prior to the merger. Net income for fiscal 2014 was ¥34.1 billion, a record for the fourth consecutive fiscal year.

In addition, our market capitalization has increased from ¥64.0 billion as of April 1, 2009 to ¥389.7 billion as of March 31, 2015, a sixfold increase.

I would like to thank our customers and shareholders for the warm support that enabled these achievements.

President & CEO



Q1

Please discuss Century Tokyo Leasing Group's growth trajectory since the merger.

A

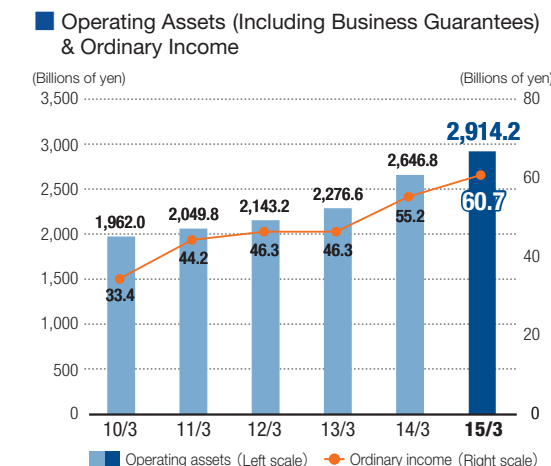
The Group has implemented a number of initiatives since the merger. We launched the first medium-term management plan in fiscal 2010, the year ended March 31, 2011, to maximize synergies from the merger and transition to the next stage of growth. We were quickest in the industry to integrate our systems and also combined our organizations, personnel systems, credit investigation systems and other systems with a sense of urgency, which enabled us to maximize synergies from the merger. In addition, our transition to the next stage of growth involved aggressively allocating resources to the specialty financing and international businesses, which has supported improved earning capabilities

during the second medium-term management plan.

The second medium-term management plan began in fiscal 2013, the year ended March 31, 2014, and culminates at the end of fiscal 2015, the year ending March 31, 2016. We are leveraging our extensive customer base and business portfolio in implementing the basic policy of this plan, which is to become a robust comprehensive financial services enterprise, and realize further innovative changes as well as sustainable growth.

The equipment leasing business accounted for over 80% of operating assets as of March 31, 2009, just before the merger. As a result of steady growth over the past six years in the highly profitable

specialty financing, automobile financing and international businesses, the equipment leasing business's operating assets now stand at ¥1.5 trillion, but account for about 50% of Group operating assets. Moreover, profitability has steadily improved as the composition of operating assets has undergone significant change, allowing us to achieve ROA and ROE that are higher than the industry average.



Q2

What is the outlook for fiscal 2015?

A

Our operating environment is more competitive than ever because interest rates have been low for an extended period as a result of the economic and fiscal policies of the Japanese government and the Bank of Japan that are designed to end deflation. Century Tokyo Leasing Group has been differentiating its products and enhancing services in the equipment leasing business while expanding revenues through initiatives in specialty financing, automobile financing and international business, which have strong growth potential. We have also rigorously controlled expenses including funding costs and selling, general and administrative expenses. As a result, for fiscal 2015 we forecast that sales will increase 3.1% year on year to ¥910.0 billion, ordinary income will increase 5.5% to ¥64.0 billion, and net income attributable to owners of parent will increase 6.9% to ¥36.5 billion. We expect to set new records for ordinary income for the seventh consecutive fiscal year and for net income attributable to owners of parent for the fifth consecutive fiscal year.

Fiscal 2015 is the final year of our second medium-term management plan and a key year for solidifying our foundation for generating significant and rapid growth in the third medium-term management plan starting in fiscal 2016, the year ending March 31, 2017. We have already achieved the quantitative targets of the second medium-term management plan, but I realize that implementation of our management strategy of strengthening our sales and management foundations is still ongoing.

We have been strengthening the sales foundation with a growing number of new initiatives that have resulted from our focus on differentiating our products and enhancing services in the equipment leasing business. For example, in collaboration with a major Japanese printer sales company we have begun offering comprehensive one-stop, fixed-cost services to customers who have installed multifunction printers. We differentiate ourselves and increase earnings when both product and service providers and the customers they serve benefit.

In the specialty financing, automobile financing and international businesses, fiscal 2015 will be a key year for enhancing both the sales and management foundations. We greatly encouraged equity participation and established joint ventures up to fiscal 2014. We will ensure that these initiatives become growth drivers during the next medium-term management plan by fortifying the corporate governance structure for Century Tokyo Leasing Group.

Q3

Please discuss issues and initiatives for achieving sustainable growth.

A

We are steadily expanding our business portfolio by building partnerships with leading companies in each region and business we serve to generate sustainable growth for the Group.

Initiatives in Equipment Leasing

In the equipment leasing business, we will maintain operating assets at approximately ¥1.5 trillion and enhance earnings by leveraging our base of approximately 25,000 corporate customers and differentiating ourselves from other companies. For example, in April 2015 we made a full-scale entry into the vendor leasing business by establishing joint venture Orico Business Leasing Co., Ltd. with Orient Corporation. We are also building a medium-to-long-term foundation in the business of providing consulting services to nursing care providers through initiatives including a joint venture with Souseikai Group, a leading Japanese company.

Initiatives in Specialty Financing

We expect further growth in the specialty financing business. Demand in the aviation business is expected to grow globally, and in 2012 we made GA Telesis, LLC an equity-method affiliate to become a one-stop source for leasing and sales of used aircraft, engines and parts, and aircraft dismantling. In 2014, we established aircraft leasing joint ventures in the United States and Ireland with CIT Group Inc., which has the sixth largest share of the global aircraft leasing market. This established a platform for us in the primary market for aircraft. In the environment and energy business, we entered the electric power sales business by establishing the joint venture Kyocera TCL Solar LLC with leading Japanese solar power generation module manufacturer Kyocera Corporation in conjunction with the start of the feed-in tariff scheme for renewable energy. This venture had 20 operating mega-solar power generation sites in Japan with total generating capacity of 38.4 MW as of March 31, 2015, thus establishing the foundation for medium-to-long-term earnings as we expand operating assets to over

¥100 billion over the next several years. We also demonstrated our highly specialized knowledge in areas such as ships and real estate to build relationships with leading companies in Japan and overseas, which we expect to contribute further to earnings.

Initiatives in Automobile Financing

In the automobile financing business, Nippon Car Solutions Co., Ltd., an industry-leading automobile leasing company, and Nippon Rent-A-Car Service, Inc., one of Japan's main car rental companies, became consolidated subsidiaries in 2013. With the addition of these companies to Orico Auto Leasing Co., Ltd., Japan's only company specializing in leasing automobiles for individuals, vehicles under management in our automobile leasing business was among the highest in the industry at about 540,000 as of March 31, 2015. Of note, automobile leasing for individuals is a market with significant capacity for growth because of the shift from automobile ownership to usage. Orico Auto Leasing is a leading company in automobile leasing for individuals, and has steadily expanded its business foundation through initiatives including an alliance formed in 2014 with leading automotive product marketer AUTOBACS SEVEN Co., Ltd.

Initiatives in the International Business

In our international business, we have traditionally expanded through joint ventures and alliances with leading banks and companies in the regions we serve. In fiscal 2014, we started an automobile leasing business in Suzhou, China by establishing Tong-Sheng Finance Leasing Co., Ltd. as a subsidiary of President Tokyo Corporation, which is a joint venture with Uni-President Enterprises Group of Taiwan. We also invested in Suzhou New District Furui Leasing Co., Ltd., a new leasing company established by government-affiliated Chinese firm Suzhou New District Hi-Tech Industrial Co., Ltd., and made it an equity-method affiliate. In ASEAN, we invested in the leasing subsidiary of Bank of the

Philippine Islands, the oldest and one of the largest banks in the Philippines. We also invested in Hitachi Construction Machinery Group's sales finance subsidiaries in Thailand and Indonesia, and purchased automobile leasing assets including associated receivables from a Thai subsidiary of Mitsui & Co., Ltd. In March 2015, we acquired shares in CSI Leasing, Inc., the largest independent leasing company in the United States, and made it an equity-method affiliate. CSI Leasing is strong in leasing information and communications equipment and has operational bases in over 30 countries. We therefore expect strong synergy with Century Tokyo Leasing Group, which holds the top share in the leasing information and communications equipment market in Japan. We will promote business collaboration with a view to the possibility of making CSI Leasing a consolidated subsidiary.

Initiatives for Growth

Personnel, capital and risk management are key issues for growth. In tandem with our rapid growth, we are aggressively recruiting personnel with advanced knowledge in businesses such as specialty financing and international operations where specialized skills are required. We are also placing more emphasis on hiring multilingual university graduates.

We will also need to diversify access to capital through funding denominated in foreign currencies because we expect to further expand overseas assets.

For risk management, we will continue to rigorously evaluate creditworthiness to minimize doubtful account costs, while raising the sophistication of our risk management capabilities in areas such as asset risk and country risk because we expect to expand ship, aircraft and overseas assets.

We will differentiate ourselves in our four operating segments and the regions we serve, leveraging our uniqueness to achieve further growth.

Q4

What are your thoughts on people, the source of growth for Century Tokyo Leasing Group?

A

Century Tokyo Leasing Group believes that its people are an asset that drives development, and we are aggressively implementing initiatives such as recruiting foreign nationals to work at the head office in Japan and helping women to excel.

We recruited our first foreign national, a student studying abroad who graduated from a Japanese university, in 1987. Today, this employee is the president of a Singapore subsidiary. Over the past several years, foreign nationals have come to account for about 10% of new hires because of the globalization of our businesses.

We also have a female executive officer, still a rarity among financial institutions. She plays a central role in our overseas mergers and acquisitions. The Group had 19 female managers as of July 1, 2015. In addition, we are providing many opportunities for

women to fully demonstrate their individual capabilities. One example is the appointment of a locally hired female employee as a director at a subsidiary in Indonesia.

In fiscal 2015, we established the Diversity Promotion Office within the Personnel Division. In addition, we are reviewing certain components of our personnel system to include highly motivated administrative employees in the pool of managerial candidates, providing further opportunities for them to excel.

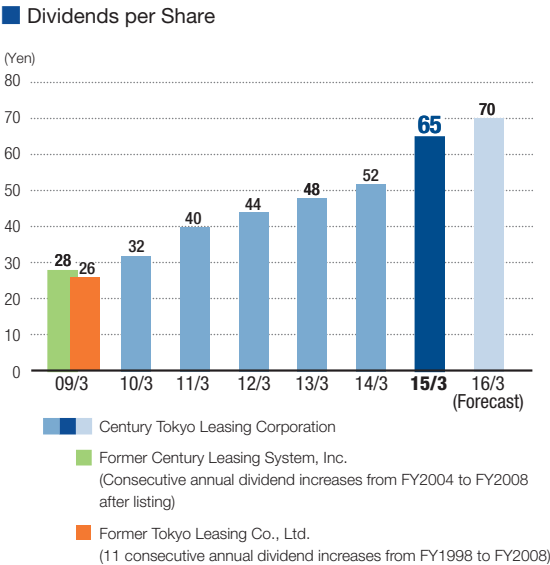
Q5 Please discuss shareholder returns.

A Our ROE for fiscal 2014 was 12.5%, which was significantly higher than the average ROE for companies listed on the First Section of the Tokyo Stock Exchange, which was 8.16%.* We have been selected for the JPX Nikkei Index 400 and as a “Competitive IT Strategy Company” in a themed stock initiative co-sponsored by the Tokyo Stock Exchange and the Ministry of Economy, Trade and Industry. Moreover, we committed to a payout ratio of 20% in November 2014, and raised our annual cash dividends per share for fiscal 2014 by ¥13 from the previous fiscal year to ¥65 as net income increased ¥1.1 billion to ¥34.1 billion. For fiscal 2015, we plan to further increase annual cash dividends per share by ¥5 to ¥70. As a result, beginning with fiscal 1998, the year ended March 31, 1999, as the former Tokyo Lease Co., Ltd., we will have increased dividends for 18 consecutive fiscal years.

Century Tokyo Leasing Group has numerous growth sectors and is further expanding business opportunities. ROA, EPS and ROE will remain key performance indicators for us as we manage the Group with a balance of growth investment and shareholder returns.

* The average ROE of companies listed on the First Section of the Tokyo Stock Exchange was 8.16% for fiscal 2014 (as of June 30, 2015; source: Tokyo Stock Exchange website).

We also brought on two external directors during fiscal 2015. We are confident that as highly independent external directors, their presence will help strengthen Group governance.



Q6 Please close by discussing your vision for the future of Century Tokyo Leasing Group.

A While we expect Japan's economy to recover moderately in the near term, the low interest rate environment means that the traditional business model centered on leasing will be brutally competitive for all participants, including banks. In this environment, the key issue is generating stable, sustained earnings, so we must create new businesses with a long-term perspective.

During the six years since Century Tokyo Leasing Group was created, we have steadily expanded our business portfolio beyond our traditional business model, increasing operating assets and transforming their composition to achieve industry-leading profitability.

Going forward, we will significantly increase our business opportunities by approaching our business as a comprehensive financial services company, instead of restricting ourselves to the leasing business field. We ask stakeholders for their understanding and support as we expand our business portfolio in a broad range of fields and strengthen our earning capabilities to generate sustainable growth that meets their expectations.

Feature

Features

Cultivate new markets with the ability to propose unique products and services. Capture growth in expanding markets.

Century Tokyo Leasing Group has achieved growth by identifying customer needs and market changes to develop unique products and services with high added value. The features introduce strategies and successful examples in the overseas automobile financing business and the aviation financing business, which are the most profitable businesses for the Group and offer growth prospects.

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Feature 1

Overseas Automobile Financing Business

Automobile financing is a core business of Century Tokyo Leasing Group. In Japan, we have strengthened our operating foundation through management integration and provide automobile leasing to companies and individuals, and car rental services. At the same time, we support Japanese companies overseas as well as providing various financing services to local companies in the regions in which we operate. We are expanding our businesses in East Asia and ASEAN, with a focus on steady motorization in emerging countries over the past several years.

Management Strategy: Enhance Initiatives in the Automobile Financing Business in Japan and Overseas

In April 2015, we reorganized the former Automobile Business Promotion Division as the Automobile Department to enhance initiatives in the automobile financing business in Japan and overseas. The Automobile Department now consists of two divisions: Automobile Division I, which is responsible for operations in Japan; and Automobile Division II, which is responsible for expanding the automobile financing business overseas.

Our automobile financing business in Japan has a

comprehensive lineup of services for the corporate market and for the individual market, which consists of automobile leasing and car rental and is expected to expand. Overseas, the automobile financing business operates in Singapore, Malaysia, Thailand, the United States and Taiwan, and also works with leading local companies to expand business in China, India and the Philippines. We are placing particular emphasis on leasing demand, which we expect to increase rapidly because of expanding motorization in emerging countries.

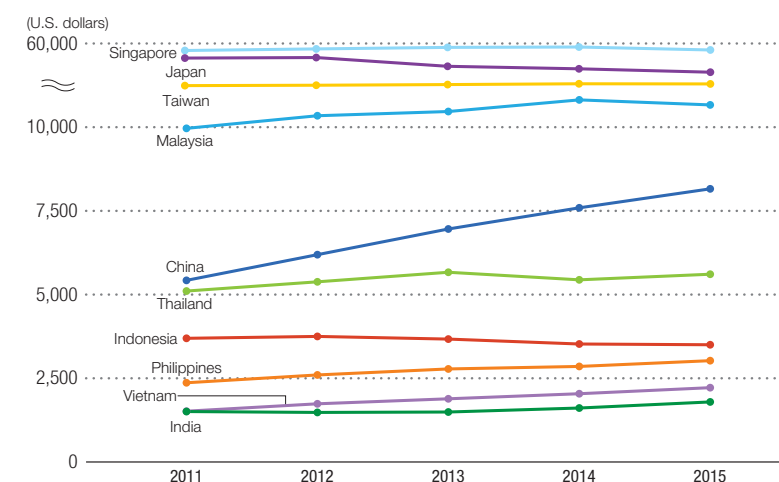
Trends in the Vibrant Markets of East Asia and ASEAN

China stands out in East Asia because of continued strong growth, including 7.4% year-on-year growth in real GDP for 2014, and its status as the world's largest trading nation. Including domestic commercial vehicle sales and exports, new vehicle unit sales increased 6.9% year on year to 23,490,000 in China in 2014, exceeding 20,000,000 units for the second consecutive year, to lead the world for the sixth consecutive year. At the same time, ASEAN, another economic powerhouse, plans to create the Asian Economic Community (AEC) in 2015, and has a total population of 600 million people and a nominal GDP of U.S.\$1.8 trillion. Trade within ASEAN totals U.S.\$2.1 trillion, and the population of

ASEAN is expected to reach approximately 750 million around 2050 according to United Nations estimates. Surveys of the correlation between passenger vehicles and per capita GDP indicate that demand shifts from two-wheel to four-wheel vehicles when nominal GDP exceeds U.S.\$4,000 per capita. ASEAN countries Thailand, Indonesia and the Philippines have already surpassed this level, and new vehicle unit sales* in 2014 totaled approximately 880,000, 1.2 million and 230,000 in these countries, respectively.

*ASEAN Automobile Federation (AAF) survey

Nominal GDP per Capita in Asia



Source: Prepared using data from the April 2015 World Economic Outlook Database (includes certain IMF forecasts)

New Automobile Unit Sales in Asia

Country	Population (Million)	Annual Automobile Sales (New automobiles; thousand units)		
		2011	2012	2013
China	1,339.7	18,510	19,300	21,980
India	1,210.2	3,290	3,580	2,550
Thailand	64.5	790	1,430	1,330
Indonesia	237.6	890	1,110	1,230
Malaysia	28.4	610	620	650
Singapore	5.2	290	—	340
Taiwan	23.2	340	340	340
Philippines	95.9	140	180	200
Vietnam	86.9	120	80	100
Japan	128.1	4,200	5,360	5,380

Source: Prepared based on data from "Automobile Production and Sales by Country in 2013," Japan External Trade Organization (JETRO)

Strengths in the Automobile Financing Business in Emerging Countries

The East Asia and ASEAN Business Department generated double-digit growth in operating assets during the year ended March 31, 2015, with the automobile financing business as its main business.

Utilizing the Infrastructure of the Overseas Equipment Leasing Business

Century Tokyo Leasing Group started overseas businesses in 1972, and has expanded its overseas network to 37 countries worldwide as of April 1, 2015. We utilize the business infrastructure and overseas network that we have built up over more than 40 years to operate smoothly in the automobile financing business.

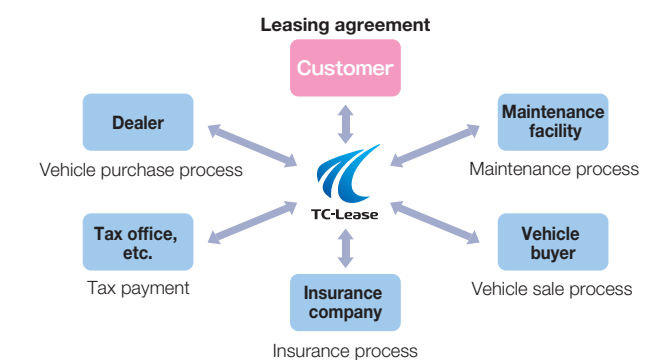
Operating Businesses Jointly with Major Local Companies

Joint operation of businesses with leading local companies is a key feature and strength of Century Tokyo Leasing Group's automobile financing business. Cooperating with major local companies enables us to obtain strong credit analysis expertise, to use the partner companies' customer bases, and to utilize their resources including management, recruitment and local funding. In this way, we maintain a balance between risk management and profitability while rapidly establishing ourselves in local markets. We will use the experience, expertise and business model of our domestic automobile financing business while accelerating cooperation with leading local companies to expand our automobile financing business in East Asia and ASEAN.

Demonstrating Our Expertise in the Domestic Automobile Financing Business

Century Tokyo Leasing Group's domestic automobile financing business consists of three consolidated subsidiaries with a fleet of approximately 540,000 vehicles under management, which is among the market leaders. The superiority of the automobile financing business we have built by integrating the product appeal and the expertise we have cultivated in Japan is a decisive factor in starting joint businesses with leading local companies.

Automobile Leasing Model



Network of Bases in East Asia and ASEAN



Initiatives in Core Markets

We focus on automobile loans and leasing in our automobile financing business in East Asia and ASEAN.

■ Singapore

Century Tokyo Leasing Group advanced into Singapore in 1979 and has gained recognition as a local pioneer with more than 30 years of operation. Our businesses here include used vehicle financing for individuals, which generates approximately 80% of total earnings. We also have a corporate automobile leasing business offering packages of various services.

■ Malaysia

We entered the automobile leasing business in Kuala Lumpur in 2007. Japanese staff members provide services ranging from guidance during automobile selection to support in the event of accidents and breakdowns.

■ Thailand

TISCO Tokyo Leasing Co., Ltd. (TTL), a joint venture between Century Tokyo Leasing Group and TISCO Financial Group Pcl., which is anchored by the major Thai bank TISCO Bank Public Co., Ltd., concentrates on automobile leasing, to Japanese companies and TISCO customers.

In February 2015, TTL further strengthened its operations by purchasing the vehicles under management and associated lease receivables of the automobile leasing business of Mitsui Bussan Automotive (Thailand) Co., Ltd., a consolidated subsidiary of Mitsui & Co., Ltd.



■ Philippines

Century Tokyo Leasing Group launched BPI Century Tokyo Lease & Finance Corporation, a joint venture with the Bank of the Philippine Islands (BPI), a major bank in the Philippines. We will integrate BPI's network, customer base and operational infrastructure in the Philippines with Century Tokyo Leasing Group's customer base, product appeal and expertise to expand our business base in automobile leasing and other businesses in the Philippines.

■ Taiwan

We established the joint venture President Tokyo Corporation in 1997 with leading Taiwanese food manufacturing and distribution and service company Uni-President Enterprises Group. Automobile leases that include maintenance are a core product that President Tokyo offers to resolve various automobile-related issues of the customer, ranging from financial issues to administrative issues including maintenance and automobile inspections.

■ China

In April 2014, we established Tong-Sheng Finance Leasing Co., Ltd. as a wholly owned subsidiary of equity-method affiliate President Tokyo, primarily to serve the Suzhou automobile leasing market. We are leveraging the expertise we have gained in Taiwan to develop the automobile and equipment leasing businesses with a focus on the customers of President Enterprises Group, which has advanced into China, and of Taiwanese companies.



Outlook for the Overseas Automobile Financing Business and Future Initiatives

A Great Start in a Market with Excellent Growth Potential

A standout feature of Century Tokyo Leasing Group's automobile financing business is the wide variety of products and services that differ according to country and operational base. We are well recognized for our efforts over more than 40 years to develop business in East Asia and ASEAN by leveraging the product and service capabilities we have cultivated in our automobile financing business in Japan. We are also accelerating business expansion by cooperating with major local companies.

The overseas automobile financing business deals with regulatory regimes and business customs that differ completely by country and region. For example, in the high-potential Chinese market, the definition of automobile leasing and car rental is different from that in Japan, and owner and user are considered to be one and the same. More time is therefore needed for various systemic issues to be resolved. We intend to identify risks and expand revenue opportunities in the automobile financing business in China through Tong-Sheng Finance Leasing Co., Ltd., which we established in Suzhou in April 2014.

In ASEAN, the market penetration of automobile leasing is low, but the penetration of

information and communications equipment leasing has made customers highly receptive to useful leasing services. Japanese automobiles and corporate brands are well-trusted in ASEAN, and concern about future environmental issues and compliance is also high. Century Tokyo Leasing Group's strengths are the experience and expertise gained from having about 540,000 vehicles under management in Japan and the trust we receive as a leading Japanese corporate provider of fleet management.

Generally, the focus in emerging countries is on ownership, so loans tend to be favored over leases. Leasing is slowly penetrating the ASEAN market, as was the case in Japan. Once the proper institutions are in place, we expect a rapid shift from loans to leases several years from now, driven by the speed of recent income growth and by the progress of information technology.



Yukio Matsumoto

Chief Officer for East Asia Region
East Asia & ASEAN Business Department
General Manager, Automobile Business Division II

Aviation Financing Business

Within its specialty financing business, Century Tokyo Leasing Group places strong focus on shipping, aircraft, environment and energy, and real estate as business sectors with high profitability and growth potential. In particular, aviation financing drives the growth of our specialty financing business, backed by the strong global demand for commercial aircraft, which is expected to double in the coming 20 years. This feature covers our unique business model on which we base our efforts to support the growth of the aviation industry.

Aviation Financing Business – at the Core of Our Management Strategy to Strengthen Our Financing and Overseas Businesses

Century Tokyo Leasing Group is focusing on creating new business beyond its current leasing and financing competence by developing expertise in each field.

In specialty financing, we engage in highly profitable businesses. As of March 31, 2015, our operating assets in the specialty financing business stood at ¥764.5 billion, up

34.1% from the previous fiscal year. As the core management strategy to strengthen both financing and overseas business, we aim to grow specialty financing assets to a scale of ¥1 trillion over the next three years, with a particular focus on aviation financing.

Growing Trend of the Aviation Industry

The Japan Aircraft Development Corporation forecasts that the global commercial passenger aircraft market will grow to approximately U.S.\$4 trillion with 30,000 aircraft over the next 20 years, backed by an annual growth rate of approximately 5% in passenger travel demand. Global air passenger demand in terms of revenue passenger kilometers (RPK) is expected to grow at an average annual rate of 4.9% to 15.0 trillion RPK in 2033, which is 2.6 times that of 2013. Routes connecting emerging countries in Asia, the Middle East, Central and South America, and Africa in particular are expected to expand.

Airlines shoulder a huge financial burden to procure aircraft and the need for a leasing solution that provides flexibility is increasing. More than 50% of new aircraft acquisition is anticipated to be via leasing. The growth of emerging economies and the rise of low-cost carriers (LCCs) have also contributed to the increased attention on the aviation financing industry.

Unique Business Model

In December 2012, Century Tokyo Leasing Group acquired interests in GA Telesis LLC, a leading U.S. aircraft parts distributor/services provider and entered the aircraft aftermarket business with an aim to build its aviation financing business.

In October 2013, we established TC Aviation Capital Ireland Limited, a subsidiary in Ireland, in order to further

expand our presence in aviation financing.

In October 2014, we formed TC-CIT Aviation Ireland and TC-CIT Aviation U.S., joint ventures with the CIT Group, a global leader in aircraft leasing.

Our aviation financing business previously centered on arranging Japanese operating leases (JOL) for investors. However, our alliances with GA Telesis and CIT Group have

allowed us to significantly expand our capabilities to include operating leases and aircraft-secured financing in addition to our existing JOL business. Through our partnerships with GA

Telesis and CIT Group, global leaders in the aviation industry, we are committed to developing a unique business model that integrates the strengths of the three companies.

Alliance with GA Telesis Provides Access to a New Asset Class

GA Telesis has an extensive customer network with leading airlines across the globe. Its business encompasses part-out of aged aircraft, repair of engines and other components for redistribution, maintenance, repair and overhaul (MRO), engine lease and asset management service. Century Tokyo Leasing Group is strengthening its

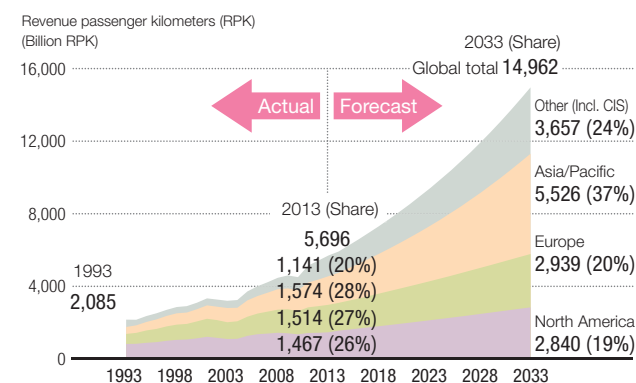
ability to manage the life cycle of aircraft by building expertise relating to aircraft part-out and parts redistribution as well as aircraft leasing and resale, thus differentiating itself from competition. We strive to build a one-stop service platform capable of capturing every possible business opportunity across the life cycle of aircraft.

Joint Venture with CIT Group Expands Our Aircraft Leasing Platform

CIT Group is a global leader in aircraft finance with a track record exceeding 35 years. Operating assets of TC-CIT Aviation, a joint venture with CIT, stood at approximately

¥70 billion as of March 31, 2015 with 14 commercial aircraft. TC-CIT Aviation plans to invest approximately ¥200 billion over the next two years targeting relatively new aircraft.

■ Global Airline Passenger Forecast



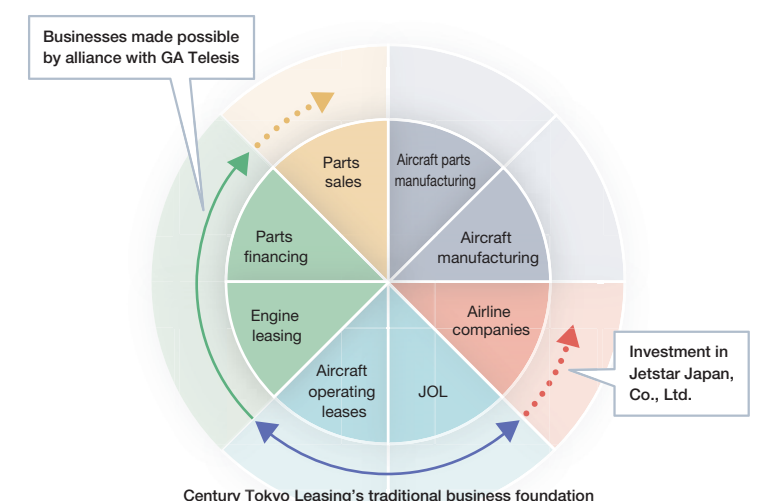
Source: Prepared based on *Worldwide Market Forecast 2014-2033*, Japan Aircraft Development Corporation

Century Tokyo Leasing's Aircraft Business Strategy

Aircraft Business Joint Venture with CIT Group



Investment in GA Telesis



Aviation Financing Business Outlook and Future Initiatives

Aiming to Become an Industry Leader by Utilizing Our Unique Business Model

Century Tokyo Leasing Group has accelerated the buildup of its aviation financing business foundation since 2012. To date, we have financed over 80 aircraft and have focused on life cycle management of aircraft, providing pure operating leases and financing to airlines, and engaging in engine leasing, inventory financing and component sales through equity participation in an aircraft component supplier and an airline.

Experts predict half the newly delivered aircraft in the global aviation market will be procured via leasing going forward. In a fiercely competitive environment, Century Tokyo Leasing Group has been expanding its presence by establishing a one-stop service platform capable of providing consistent support across the life cycle in alliance with global leaders in aviation.

The aviation financing business is not an easy market to enter, but we are developing our unique aviation financing business model leveraging the expertise of our partners, GA Telesis and CIT Group.

Aircraft provide many business opportunities from manufacturing to retirement due to their long life spanning from 20 to 30 years. Our aviation financing business has expanded from leasing of new aircraft to used aircraft and engine and parts financing, which are contributing strongly to our earnings base.

We have rapidly expanded our aviation financing business and assets since our full-scale entry in to the market four years ago. We are targeting operating assets of ¥300 billion by the fiscal year ending March 2017 by adding prime assets to our portfolio.



Tatsuya Yamamoto

General Manager,
Aviation Finance Division and Ship Finance Division
Finance Business Department

Action

Review of Operations

Target further growth in four core businesses.

Century Tokyo Leasing Group focuses on four core businesses: Equipment leasing, specialty financing, automobile financing and the international business. We aim to be an industry leader in each of these businesses by delivering added value that is unique to the Group.

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Equipment Leasing

Equipment leasing accounts for approximately 50% of Century Tokyo Leasing Group's operating assets. We use our sophisticated ability to provide solutions to meet various customer needs. We offer leasing and installment sales for products including information and communications equipment, factory machinery and equipment, and construction machinery and commercial equipment. We also provide building management and structuring of flexible financing programs in cooperation with manufacturers and dealers.

Operating Strengths

Century Tokyo Leasing Group draws on the customer base of the Mizuho Financial Group and the ITOCHU Group, and has consolidated subsidiaries that are the result of alliances with leading Japanese manufacturers FUJITSU LIMITED and IHI Corporation. We serve approximately 25,000 corporate customers in Japan through ongoing initiatives to differentiate and provide added value to the lease services we offer.

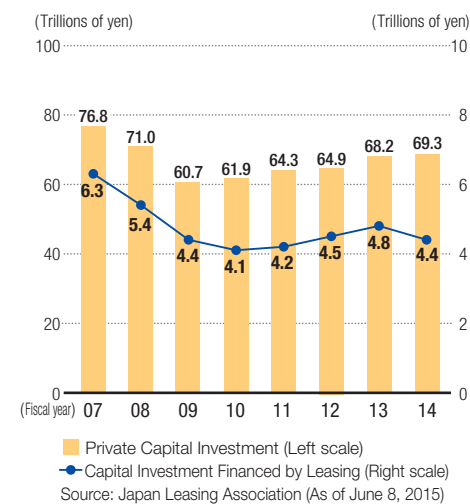
The equipment leasing business has an overwhelming customer base that draws on the Group's collective strengths. According to Nikkei Inc. estimates, we have maintained a top-class share of the total volume of leasing transactions in Japan for the past several years. We are especially strong in handling the personal computers, servers and other information and communications equipment and software that are widely used in various businesses.

Share of Leasing Transactions in Japan

	Fiscal Year Ended March 2012	Fiscal Year Ended March 2013	Fiscal Year Ended March 2014
No. 1	Sumitomo Mitsui Finance & Leasing Co., Ltd. 10.7%	Century Tokyo Leasing Corporation 11.1%	Sumitomo Mitsui Finance & Leasing Co., Ltd. 12.4%
No. 2	Mitsubishi UFJ Lease & Finance Co. Ltd. 10.1%	Sumitomo Mitsui Finance & Leasing Co., Ltd. 10.7%	Century Tokyo Leasing Corporation 11.9%
No. 3	Century Tokyo Leasing Corporation 10.0%	Mitsubishi UFJ Lease & Finance Co. Ltd. 10.6%	Mitsubishi UFJ Lease & Finance Co. Ltd. 11.5%

Source: Nikkei Inc. estimates

Private Capital Investment & Capital Investment Financed by Leasing



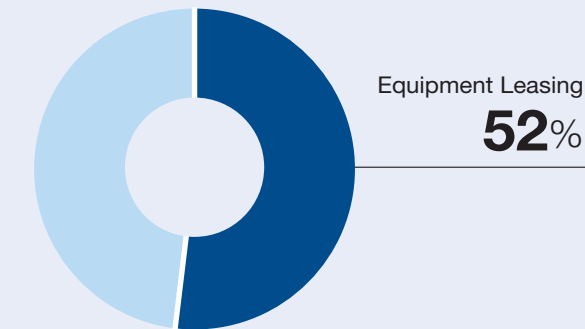
Overview of Fiscal 2014

Equipment leasing operating assets were ¥1,515.8 billion as of March 31, 2015, or 52.0% of total operating assets, a decrease from 58.4% a year earlier. This, however, does not indicate a trend toward decreasing operating assets in the equipment leasing business. Rather, equipment leasing accounted for a comparatively lower percentage of total operating assets because of rapid growth in specialty financing, automobile financing and the international business. The relative decrease also reflects a sales strategy

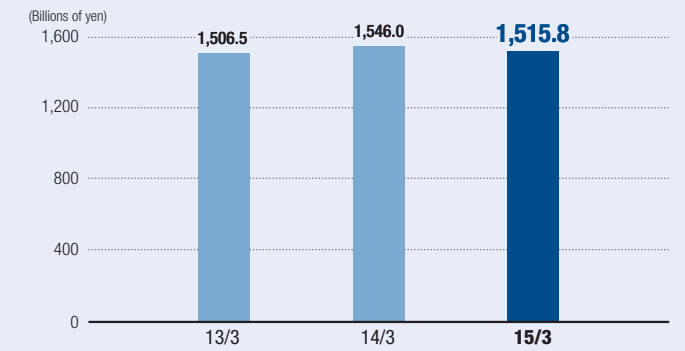
that emphasized profitability in the intensifying competitive environment that resulted from low interest rates.

Low-margin leases have become the norm in Japan's leasing market. Century Tokyo Leasing Group prioritized profitability by broadly employing a sales approach that differentiates its services, while continuing to increase sales opportunities. As a result, we achieved a record volume of new contracts in fiscal 2014.

Operating Assets (As of March 31, 2015)



Operating Assets



Growth Strategies

We forecast that the operating environment in the equipment leasing business will continue to be challenging. However, we will further ingrain a sales approach that differentiates and enhance our services, and create new growth drivers.

We will create new growth drivers by exercising our strengths in existing businesses and by further enhancing current schemes to increase our earning power. As a specific example, we teamed up with experienced automobile financing provider Orient Corporation (Orico) to establish Orico Business Leasing Co., Ltd., a joint venture specializing in vendor leasing (lease partnering with manufacturers and dealers).

We are further differentiating and enhancing our services by refining our IT-LCM services, which involve value-added services such as property management and maintenance. In addition, the Business Promotion Office that we established in fiscal 2014 is expanding business that builds customer trust and offers benefits for both customers and the Group by proposing solutions for customer product sales.

Recognizing Century Tokyo Leasing Group's use of IT services, Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange selected us as a "Competitive IT Strategy Company" in May 2015.

We will continue to proactively employ IT services to enhance customer satisfaction and trust while exercising our ability to look beyond the conventional and exercise our creativity to enhance the Group's unique expertise and capabilities.

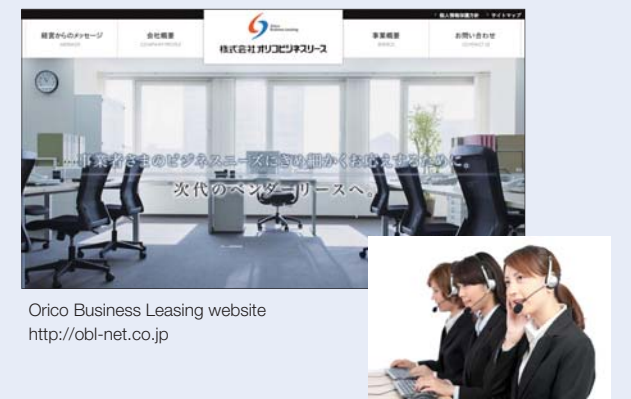
TOPICS

Vendor Lease Specialist Orico Business Leasing Co., Ltd. Established

Targeting further expansion of its business base, Century Tokyo Leasing Group established Orico Business Leasing Co., Ltd., a 50-50 joint venture with Orico specializing in vendor leasing.

Vendor leases are mainly for small and medium-sized companies that seek to install small-ticket machinery and equipment. Currently, these leases account for approximately 20% of the total leasing transaction volume in Japan of about ¥5.2 trillion. We expect the share of vendor leases to increase.

Orico Business Leasing integrates Orico's strong sales foundation in the consumer finance industry with our extensive operating capabilities in the leasing business to meet various customer needs. It is targeting total assets of ¥60 billion or more in the year ending March 2018.



Specialty Financing

Century Tokyo Leasing Group aims to create new business beyond its current leasing and financing competence by developing expertise in various products. We focus on the rapidly growing aviation financing business, high-profile solar power generation, and also provide financial services for ships, real estate, structured finance, and the medical and healthcare sectors by utilizing our expertise.

Operating Strengths

Specialty financing is a segment with the highest growth potential for Century Tokyo Leasing Group and we are expanding into global markets to generate further growth. We lay focus on our four core segments, which are ships, aircraft, environment and energy, and real estate. In addition to these sectors, we also provide solutions to monetize a variety of assets such as accounts receivable and inventories. We capture customer needs and add value by demonstrating our ability to make unique proposals, and provide specialized services and expertise.

Ships	<ul style="list-style-type: none">Our products include bulk carriers, car carriers and container ships, as well as energy-related offshore vessels including offshore wind power vessels.We are structuring a well-balanced portfolio both in Japan and overseas.	Aircraft	<ul style="list-style-type: none">We operate in the aircraft leasing business in a joint venture with major U.S. leasing company CIT Group Inc.We provide lifecycle management in the aircraft business from new and used aircraft to aircraft parts through an alliance with GA Telesis, LLC of the United States.
Environment and Energy	<ul style="list-style-type: none">We have built a pipeline capable of generating approximately ¥100 billion in the environment and energy business as a whole.We have established numerous solar power generation businesses in Japan, including a joint venture with Kyocera Corporation.We are involved in floating solar power facilities through an alliance with French company Ciel et Terre International.	Real Estate	<ul style="list-style-type: none">We are building a portfolio of prime assets by providing real estate financing (loans and equity) and lease products that meet the needs of quality partner companies.We are maximizing earnings by employing our specialized knowledge and expertise when exiting projects.

Overview of Fiscal 2014

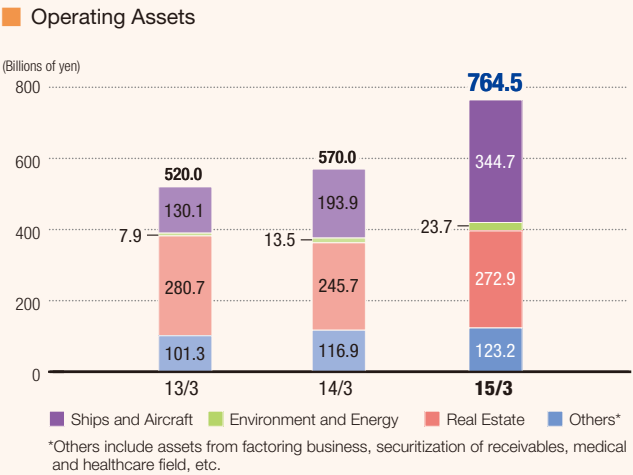
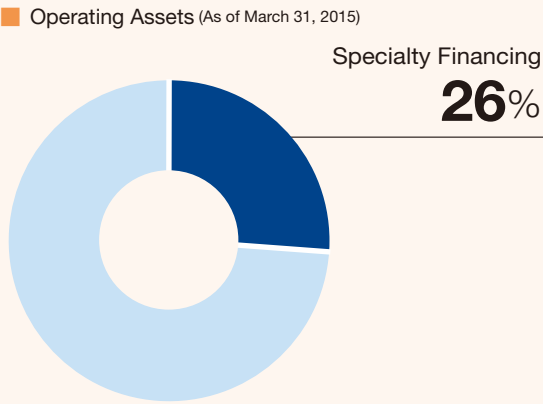
The balance of operating assets in specialty financing stood at ¥764.5 billion as of March 31, 2015, up 34.1% compared with the end of the previous fiscal year. Shipping and aircraft accounted for 45.1% of the total, environment and energy 3.1% and real estate 35.7%. Shipping, aircraft and environment and energy, sectors that we identified as areas with strong growth potential, accounted for ¥368.4 billion in operating assets in total, a year-on-year rise of ¥161.0 billion (or 48.2% of the total consolidated operating assets of specialty financing).

In the ship financing business, we partnered with a major shipping company to jointly own a newly built LNG carrier, strengthening our position in the energy sector in line with the growing demand for transportation by LNG.

In the aviation financing business, we formed joint ventures in the United States and Ireland with the CIT Group (a leading U.S. provider of commercial lending and leasing services ranking sixth in the global aircraft leasing market) to engage in aircraft leasing, establishing a new platform for leasing new aircraft. The business showed exponential growth, taking full advantage of the growing aviation market.

In the environment and energy field, we formed Kyocera TCL Solar LLC, a joint venture with Kyocera Corporation, and built 20 solar power plants in Japan with a total capacity of 38.4 megawatts (MW) as of March 31, 2015, establishing a long-term revenue base.

In the real estate financing business, we made a full-scale entry into the real estate development business by participating in one of Japan's largest redevelopment projects in Tokyo's prime business district.



Growth Strategies

Specialty financing plays a crucial role in achieving our management philosophy, which is to become a robust comprehensive financial services enterprise. We will engage in highly profitable growth markets and lead the company's further growth.

We operate under a strategy to engage in businesses that go beyond our existing leasing and financing services and strive to enhance profitability and strengthen the management of our businesses on a consolidated basis. In line with our growth, we are continuously working to strengthen our organizational structure, systems and controls.

In the aviation financing business, we have assigned employees to CIT and GA Telesis, both U.S.-based companies, and TCA, an Irish-based company. The addition of these two bases in the United States and Europe will strengthen our global marketing and business management functions and will attract global aircraft demand.

In the environment and energy field, we will continue to

expand the solar power generation business with Kyocera Corporation and also look to finance base load power sources such as thermal power and biomass. We will expand the solar power generation business overseas with strategic partners, primarily in the United States and Southeast Asia. We are also working to engage in a next-generation renewable energy business consisting of geothermal, offshore wind and hydrogen power based on a long-range aim to lead the future environmental energy industry.

In the healthcare field, we securitize medical and nursing fees, and provide effective financing solutions to leading-edge facilities in regenerative medicine and elderly nursing care that are growing in demand.

In the real estate field, we target the U.S. property market, where steady growth is expected, in addition to our existing Japanese market. We will pursue opportunities to generate profits through joint ventures with overseas subsidiaries of our strategic partners.

TOPICS

World's Largest Mega-Solar Power Generation Project at Yamakura Dam in Chiba Prefecture

Kyocera TCL Solar LLC, a joint venture established with Kyocera Corporation, announced that it will develop and operate a 13.4-MW floating solar plant, the world's largest in scale,¹ on the Yamakura Dam reservoir, managed by Chiba Prefecture (east of Tokyo) for industrial water services.

The project will consist of approximately 50,000 Kyocera modules installed over a water surface area of 180,000 square meters. The plant will generate an estimated 15,635 megawatt-hours (MWh) of electricity a year, which corresponds to the annual electricity needs of approximately 4,800 typical households,² while offsetting about 7,800 tons of CO₂ emissions annually.³

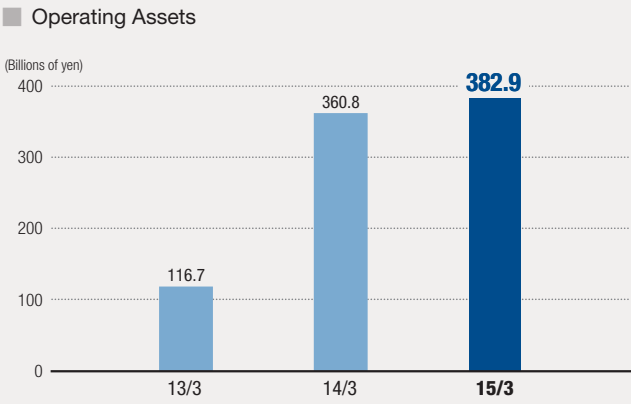
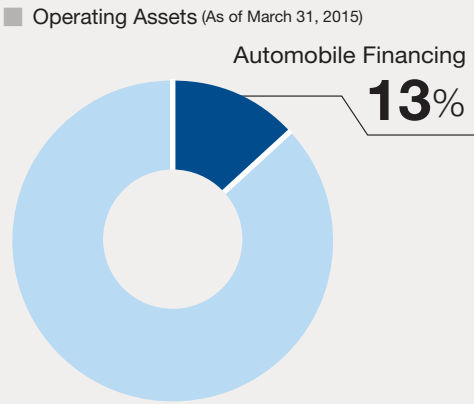


1. Among floating solar power plants (as of December 22, 2014)
2. Calculated using a per-household figure of 3,254.4 kWh/year.
Source: Federation of Electric Power Companies of Japan
3. Calculation based on voluntary industry rules published by the Japan Photovoltaic Energy Association (fiscal 2012)

Automobile Financing

Century Tokyo Leasing Group is a leader in the automobile financing business in Japan with approximately 540,000 vehicles* under management. Our comprehensive lineup consists of Nippon Car Solutions Co., Ltd., Orico Auto Leasing Co., Ltd., and Nippon Rent-A-Car Service, Inc., which lease automobiles to companies and individuals and offer rental car services. We are therefore able to provide optimum service according to the customer's intended use. Our overseas operations also serve automobile-related needs by providing automobile leasing and loans, primarily in East Asia and ASEAN.

*Total of Nippon Car Solutions, Orico Auto Leasing, and Nippon Rent-A-Car Service






Operating Strengths

Our motorized society of today has developed to the point of maturity. Automobile needs have also shown signs of change with an accelerating transition from ownership to usage. Century Tokyo Leasing Group has built an industry-leading organization that meets modern needs with a well-balanced range of businesses from automobile leasing for companies and individuals to car rental. We will integrate the services of Group companies to further strengthen our automobile financing business.

Century Tokyo Leasing Group Automobile Financing Companies

(Percentages in parentheses are Century Tokyo Leasing's percentage of voting shares as of March 31, 2015)

Automobile Leasing	Mainly for Companies	 Nippon Car Solutions Co., Ltd. (59.5%)
	Mainly for Individuals	 Orico Auto Leasing Co., Ltd. (50.0%)
Rental Car Services		 Nippon Rent-A-Car Service, Inc. (63.2%)

Main Differences among Automobile Leasing, Rental and Ownership

	Leasing	Rental	Ownership (incl. the use of loans)
Intended use	Routine, continuous usage	Temporary and short-term intensive usage	Long-term continuous usage
Loan or rental contract term	Long-term (years) Note: Early termination is generally not possible	Short-term (hours, days, weeks, months)	Automobile loan contracts are long-term Note: Early repayment is possible
Users	Specified customers	Multiple unspecified customers	Specified (owner)
License plates	Cannot be distinguished from privately owned vehicles	"Wa" and "Re" numbers	Regular, privately owned vehicles
Model selection	Customers obtain their desired vehicle	Selection from rental car company vehicles	Purchase of desired vehicle
Payment for insurance, maintenance, taxes and inspections	Generally handled by the leasing company. Included in lease payment depending on the contract	Handled by the car rental company and included in the rental fee	Purchaser pays as costs are incurred

Overview of Fiscal 2014

Operating assets in the automobile financing business as of March 31, 2015 increased 6.1% from a year earlier to ¥382.9 billion. In addition, vehicles under management in Japan increased 10.2%, or 50,000 vehicles from a year earlier, to 540,000 vehicles. As a key initiative, we completed integrating the operations of Nippon Car Solutions, a major automobile leasing company that became a consolidated subsidiary during fiscal 2013, which has made extensive collaboration with the Group possible. We also concluded an agreement covering automobile leasing for individuals between Orico Auto Leasing, which leases automobiles to individuals, and AUTOBACS SEVEN Co., Ltd., a major marketer of automotive products and services.

Overseas, we made a subsidiary of the Bank of the

Philippine Islands (BPI), a major Philippines bank, an equity-method affiliate and made preparations to expand our business base including automobile leasing by integrating BPI's network, customer base and infrastructure in the Philippines with Century Tokyo Leasing Group's customer base, product appeal and expertise. President Tokyo, our joint venture with Uni-President Enterprises Group of Taiwan, established Tong-Sheng Finance Leasing in Suzhou, China, which initiated commercial operations in mainland China. Moreover, we strengthened our base in the automobile leasing business in Thailand by purchasing automobile leasing assets including vehicles under management and associated lease receivables from a Thai subsidiary of Mitsui & Co., Ltd.

Growth Strategies

Automobile financing stands out among Century Tokyo Leasing Group's businesses worldwide because of its outstanding efficiency and profitability. However, many of our automobile financing companies in Japan and Group companies overseas have only recently joined us. We will therefore implement growth strategies for each of them, fully exercise consolidated management and expand business collaboration with the Group to further enhance efficiency and profitability. We established the Automobile Business Department in April 2015 as an organization that will implement potent initiatives in Japan and around the world.

Nippon Car Solutions, a key Group company in the automobile financing business in Japan, will implement measures largely to increase gross profit from financing and maintenance. It will also move its head office to the vicinity of the Group's head office to maximize synergies and build close collaborative operating ties with the Group while raising

operating efficiency and strengthening consolidated management. Nippon Rent-A-Car Service will also move its head office to the Group's head office building to strengthen consolidated management, develop close collaborative operating ties with the Group, and generate synergies. Orico Auto Leasing will expand dealership marketing schemes with the objective of further increasing vehicles under management to strengthen its hold as the industry leader in automobile leasing for individuals. We will cultivate new channels in the automobile leasing market for individuals to draw on the huge 50 million-vehicle potential of this market.

Century Tokyo Leasing Group will live up to and enhance its reputation as a leader in the automobile financing business through unique proposals and services made possible by increased collaboration among Group companies.

TOPICS

Orico Auto Leasing Expands Automobile Leasing for Individuals, Exceeding 50,000 Vehicles under Management

Individuals own 50 million vehicles in Japan. Automobile leasing now encompasses several hundred thousand vehicles, and awareness of leasing is increasing. Orico Auto Leasing, the industry leader in automobile leasing for individuals, has been providing leases to customers under its Koala Club brand since its establishment in 2008. As of January 31, 2015, it had over 50,000 vehicles under management. In October 2014, it began jointly developing and marketing automobile leasing products that enhance driver convenience in collaboration with AUTOBACS SEVEN, which has over 14 million members and approximately 580 retail outlets in Japan. We will provide automobile leasing products that make maximum use of Orico Auto Leasing's expertise and AUTOBACS SEVEN's unique automotive products, insurance and maintenance services to individuals who are considering acquiring an automobile.

Overview of Services in Collaboration with AUTOBACS SEVEN

Customers can receive maintenance services at the AUTOBACS SEVEN Group's approximately 580 retail outlets throughout Japan
Customers can select and install appealing products from the full lineup of automotive products at AUTOBACS stores and include the cost in lease payments
All fees for inspections and regular maintenance such as oil changes and tire rotations can be included in lease payments

International Business

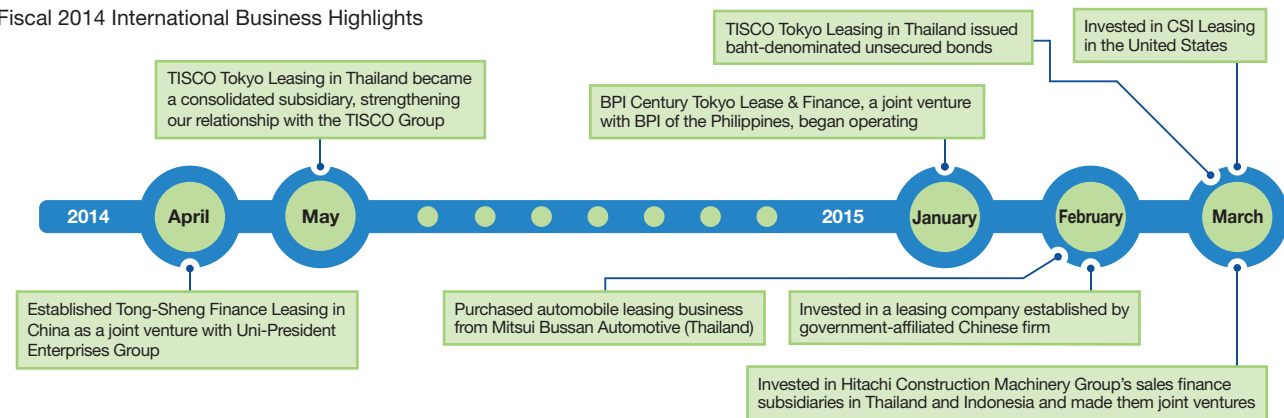
Century Tokyo Leasing Group began operating overseas in 1972. Focusing on fast-growing East Asia and ASEAN, our network now spans 37 countries worldwide. We provide financing support to Japanese companies operating overseas, and are also significantly growing transactions with non-Japanese companies through cooperation with local partners, financial institutions, manufacturers and dealers. We are enhancing our service offerings to meet the needs of the customers and regions we serve and building businesses with strategic partners to further expand our international operations.

Operating Strengths

Century Tokyo Leasing Group uses its broad overseas network centered on East Asia and ASEAN to support the overseas advance of our approximately 25,000 corporate customers in Japan, and has built an organization that is able to meet various customer needs through close cooperation with the head office sales base. In addition, we are building

alliances with excellent local companies, and expanding partnerships with Japanese vendors operating globally. In this way, we are focusing on growing transactions with local non-Japanese companies, which we expect to be highly profitable, mainly in Asia and the United States.

Fiscal 2014 International Business Highlights



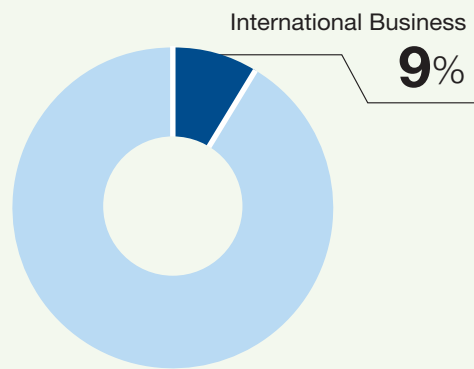
Overview of Fiscal 2014

International business operating assets as of March 31, 2015 increased a substantial 47.6% from a year earlier to ¥251.0 billion.

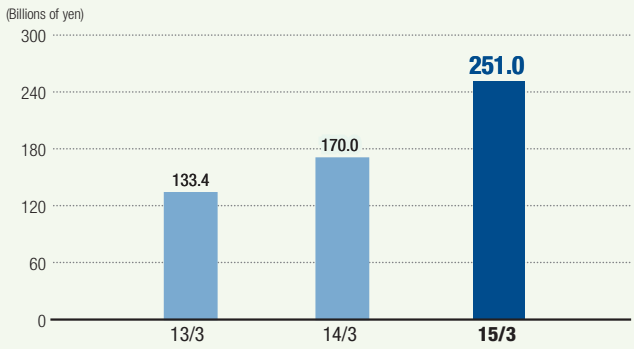
In fast-growing East Asia and ASEAN, during fiscal 2014 we accelerated our traditional approach of building our businesses through joint ventures and alliances with leading banks and operating companies in the regions we serve. Key initiatives and successes included the start of an automobile leasing business in Suzhou, China with the April 2014 establishment of Tong-Sheng Finance Leasing Co., Ltd. by President Tokyo Corporation, which is a joint venture with Uni-President Enterprises Group of Taiwan. In May 2014, we made Thai corporation TISCO Tokyo Leasing Co., Ltd. a consolidated subsidiary. In December 2014, the leasing subsidiary of Bank of the Philippine Islands, Southeast Asia's oldest bank and a major bank in the Philippines, became an equity-method affiliate. These and other initiatives expanded

our local network. Suzhou New District Furui Leasing Co., Ltd., a company established by government-affiliated Chinese firm Suzhou New District Hi-Tech Industrial Co., Ltd., became an equity-method affiliate in February 2015. In March 2015, we entered the two largest ASEAN construction equipment markets by acquiring shares in Hitachi Construction Machinery Group's sales finance subsidiaries in Thailand and Indonesia and making them joint ventures. We also strengthened our automobile leasing business in Thailand by purchasing automobile leasing assets from Mitsui Bussan Automotive (Thailand) Co., Ltd., a local subsidiary of Mitsui & Co., Ltd. In addition, in the same month, the largest independent leasing company in the United States, CSI Leasing, Inc. became an equity-method affiliate, which expanded our global network into the United States, Central and South America, and Europe.

Operating Assets (As of March 31, 2015)



Operating Assets



Growth Strategies

We have approximately tripled the operating assets of our overseas bases in the six years since the April 2009 merger that created Century Tokyo Leasing Group. In this and other ways, the international business has driven Group growth, with particular success in East Asia and ASEAN.

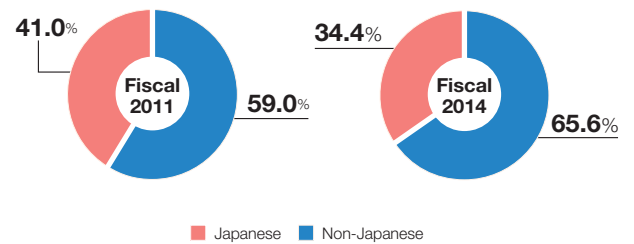
In East Asia and ASEAN, we continue to promote our strategy of alliances with leading local companies in each region. Our strengths are a powerful base of Japanese corporate customers, global partnerships with Japanese vendors, expertise in various leasing businesses, and a broad international network. The strengths of the leading local companies that are our partners in each region are the ability to assess and take risks, the customer base and channel infrastructure, and the ability to handle funding and tax regimes. We integrate all of these strengths in proposals and services that are unique to Century Tokyo Leasing Group, with the aim of further expanding local businesses.

Moreover, to expand business with non-Japanese companies and acquire new sources of earnings, we will expand globally, focusing on Europe, the United States and Southeast Asia in transactions with global vendors and

overseas remarketing deals. We will also strengthen joint businesses with strategic U.S. partner CSI Leasing, the Tata Group in India, and TES-AMM Pte Ltd. in Singapore.

We will demonstrate the unique strengths of Century Tokyo Leasing Group in the international business to achieve self-sustaining growth and combine strategic business alliances and investments with the objective of generating steady growth by balancing risks and returns in the regions we serve, with a focus on East Asia, ASEAN and the United States.

Breakdown of Operating Assets



TOPICS

CSI Leasing, the Largest Independent Leasing Company in the United States, Becomes an Equity-method Affiliate

We began doing business with CSI Leasing in 2003, formed an alliance in 2012, and then acquired a 35% stake in the company in March 2015 to make it an equity-method affiliate. CSI Leasing mainly handles information and communications equipment. The largest independent leasing company in the United States, CSI Leasing has 40 U.S. offices and does business in 30 countries. In the United States and Canada, It also markets information and communications equipment and operates a refurbishing business to reuse and recycle equipment.

Century Tokyo Leasing Group is strong in Asian markets. Adding CSI Leasing's strong platform in North America, Central and South America, and Europe will enable us to

provide more finely tuned services to customers operating globally. We are targeting an even greater market presence by integrating the respective expertise of Century Tokyo Leasing Group and CSI Leasing.

Overview of CSI Leasing

	
Founded	1972
Total as-sets	\$1,594 million
Net income	\$13 million

Head office in Missouri, U.S.A.

Fundamentals

Management and CSR

Practice CSR management through a sound and transparent management organization.

A leader in its industry, Century Tokyo Leasing Group does not simply target improved performance. We are strengthening governance to ensure sound, transparent management, contributing to society through our business activities, and promoting initiatives in areas such as environmental conservation. We aim to be a company that society trusts by practicing CSR management that achieves balance with the community and the environment.

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Management Organization (As of June 25, 2015)

Board of Directors

Chairman & Co-CEO,
Representative Director
Toshihito Tamba

President & CEO,
Representative Director
Shunichi Asada

External Directors
Yoshinori Shimizu^{1,3}
Akio Nakamura^{1,3}

Deputy Presidents,
Directors and Executive Officers
Makoto Nogami
Koichi Nakajima

Director and Senior Managing
Executive Officer
Masataka Yukiya

Directors and Executive Officers
Osamu Tamano
Akihiro Naruse
Seiichi Mizuno

Corporate Auditors

Standing Corporate Auditors
Osamu Shibaya
Futoshi Okada²

Corporate Auditors
Shunsuke Wada²
Mikio Fukushima^{2,3}

Executive Officers

Senior Managing Executive Officers
Yuichiro Ikeda
Takeshi Honda
Atsuhiko Iwatake

Managing Executive Officers
Takashi Muramatsu
Noboru Akatsuka
Yasuo Mori
Kenji Murai
Yoichiro Nakai
Takashi Ito
Yasushi Yoshino
Shogo Ozaki
Takashi Kamite

Executive Officers
Yoshio Nomura
Osamu Miyata
Koichiro Sato
Mahoko Hara
Kazuhiro Shibata
Toshifumi Takashima
Tomoyuki Akamatsu
Koichi Baba

1. External directors as stipulated by Article 2-15 of the Corporation Law of Japan
2. External auditors as stipulated by Article 2-16 of the Corporation Law of Japan
3. Designated independent officer as stipulated by the Tokyo Stock Exchange

Century Tokyo Leasing Corporation recognizes that effective corporate governance is an important management issue in maximizing corporate value. We therefore strive to maintain a sound and highly transparent management system that enables swift and precise decision-making in response to changes in the business environment. We also enhance the soundness and transparency of corporate management with internal control and risk management systems that operate properly and effectively.

Management System

Century Tokyo Leasing’s management organization reflects the will of shareholders. It centers on the Board of Directors and Board of Corporate Auditors, which consist of directors and corporate auditors, respectively, who are elected by the General Meeting of Shareholders. Furthermore, we have an executive officer system to accelerate management strategy decisions and further strengthen supervision and execution. One of the 26 executive officers is female.

Board of Directors

The Board of Directors consists of 10 directors, two of whom are external directors as specified in Article 2-15 of the Corporation Law of Japan. The Board of Directors 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. Moreover, it supervises the execution of operations by directors and executive officers.

Century Tokyo Leasing Corporation’s Articles of Incorporation limit the number of directors to 12 or fewer.

Board of Corporate Auditors

Century Tokyo Leasing has adopted the organizational structure of a company with a board of corporate auditors. The Board of Corporate Auditors consists of four corporate auditors, two of whom are full-time corporate auditors and three of whom are external corporate auditors as defined by Article 2-16 of the Corporation Law of Japan. The Board of Corporate Auditors meets regularly and rigorously executes independent and fair audits of compliance and the appropriateness of corporate activities including the performance of duties by directors and executive officers.

Independence of Management Oversight Structure

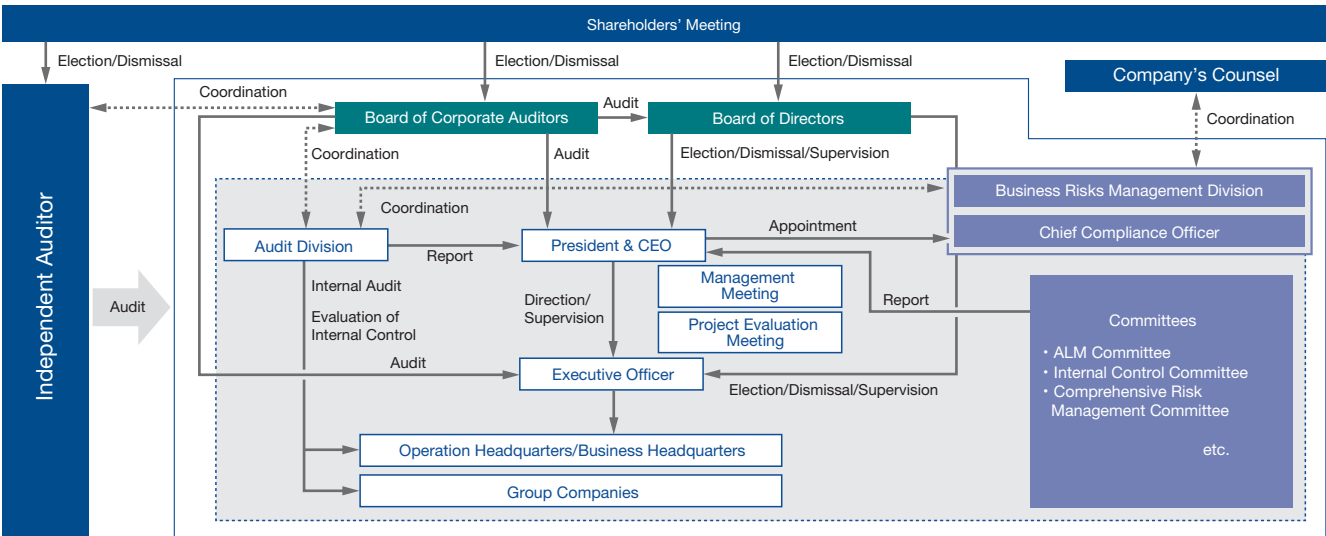
Century Tokyo Leasing does not have specific standards or policies it follows with regard to independence when appointing its external directors and auditors. However, we appoint external directors and auditors who we believe are able to objectively supervise management, based on their extensive background in corporate management, specialized knowledge, and common sense.

Our external directors have highly advanced knowledge of financial economics, finance and economics in general, and use this expertise in the management of the Company from a macro standpoint. At the same time, our external directors fulfill the responsibility of independently monitoring management.

The external corporate auditors have the role of maintaining the system that ensures the objectivity and neutrality of the management monitoring function. They rely on the extensive experience and broad knowledge they have gained as managers and through the management of financial institutions to check operations from an outside perspective on a regular basis.

External Director Yoshinori Shimizu, External Director Akio Nakamura and External Auditor Mikio Fukushima are designated independent officers as stipulated by the Tokyo Stock Exchange (TSE). No conflicts of interest exist between the Company and its external directors and auditors. The two external directors and three external auditors also hold positions at other companies and organizations as listed on the following page.

System of Corporate Governance and Internal Control (As of June 25, 2015)



External Directors, External Corporate Auditors and Reasons for Appointment

External Directors	
Yoshinori Shimizu <ul style="list-style-type: none">Honorary Professor, Hitotsubashi UniversityExternal Director, Nisshinbo Holdings Inc.	External Director Yoshinori Shimizu holds the titles of Honorary Professor at Hitotsubashi University and External Director at Nisshinbo Holdings Inc. Century Tokyo Leasing conducts business with Hitotsubashi University and Nisshinbo Holdings Inc., but the prices and other transaction conditions are identical to transactions with other entities. (Reason for Appointment) Mr. Shimizu has highly advanced knowledge as a monetary economics research professional. He uses this expertise in the management of the Company from a macro standpoint, and monitors management from an independent perspective.
Akio Nakamura <ul style="list-style-type: none">Chairman, Sampo Japan Nipponkoa Research Institute Inc.Special Partner, Tanabe & Partners	External Director Akio Nakamura is Chairman of Sampo Japan Nipponkoa Research Institute Inc. and a Special Partner at the law firm Tanabe & Partners. Sampo Japan Nipponkoa Research Institute Inc. is related to Sampo Japan Nipponkoa Insurance, Inc., which owned a 1.21% stake in Century Tokyo Leasing as of March 31, 2015. In addition, Century Tokyo Leasing Group had business loans totaling ¥3,000 million from Sampo Japan Nipponkoa Insurance, Inc. and the Group does business with both Sampo Japan Nipponkoa Research Institute Inc. and Sampo Japan Nipponkoa Insurance, Inc., but the prices and other transaction conditions are identical to transactions with other entities. (Reason for Appointment) Mr. Nakamura uses his extensive experience in finance and taxation and his broad insight to provide accurate and objective advice on the overall management of Century Tokyo Leasing, and monitors management from an independent perspective.
External Corporate Auditors	
Futoshi Okada <ul style="list-style-type: none">Auditor, IHI Finance Support CorporationAuditor, Orico Business Lease Co., Ltd.Auditor, TC Business Experts CorporationAuditor, Century Tokyo Leasing China CorporationAuditor, Century Tokyo Factoring China Corporation	External Corporate Auditor Futoshi Okada simultaneously holds positions as Auditor at IHI Finance Support Corporation, Auditor at Orico Business Lease Co., Ltd., Auditor at TC Business Experts Corporation, Auditor at Century Tokyo Leasing China Corporation and Auditor at Century Tokyo Factoring China Corporation. All of these companies are consolidated subsidiaries. Mr. Okada has work experience at Mizuho Bank, Ltd. and its affiliated companies, and three people from these companies have been appointed directors at Century Tokyo Leasing. As of March 31, 2015, Mizuho Bank, Ltd. owned a 4.40% stake in Century Tokyo Leasing. In addition, as of March 31, 2015 Century Tokyo Leasing Group had business loans totaling ¥309,332 million from Mizuho Bank, Ltd. Century Tokyo Leasing conducts business with Mizuho Bank, Ltd. and its affiliated companies, but the prices and other transaction conditions are the same as transactions with other entities. (Reason for Appointment) Mr. Okada uses his extensive experience in the management of financial institutions and broad knowledge in Century Tokyo Leasing’s audit functions.
Shunsuke Wada <ul style="list-style-type: none">President, Nissay Culture FoundationPresident, Tokyo Opera City Cultural Foundation	External Corporate Auditor Shunsuke Wada simultaneously holds positions as President of Nissay Culture Foundation and President of Tokyo Opera City Cultural Foundation. Mr. Wada has work experience at Nippon Life Insurance Company, and one person from Nippon Life Insurance Company is a director at Century Tokyo Leasing. Nippon Life Insurance Company had a 2.09% stake in Century Tokyo Leasing as of March 31, 2015. In addition, Century Tokyo Leasing Group had business loans totaling ¥28,796 million from Nippon Life Insurance Company as of March 31, 2015. Century Tokyo Leasing conducts business with Nippon Life Insurance Company and its affiliated companies, but the prices and other transaction conditions are the same as transactions with other entities. (Reason for Appointment) Mr. Wada uses his extensive experience in management and his broad knowledge in Century Tokyo Leasing’s audit functions.
Mikio Fukushima <ul style="list-style-type: none">Advisor, JFE Shoji Trade Corporation	External Corporate Auditor Mikio Fukushima successively held the titles of President and CEO and Chairman at JFE Shoji Trade Corporation, and assumed his current position as an advisor in April 2014. As of March 31, 2015, JFE Shoji Trade Corporation and its affiliated companies owned a 1.84% stake in Century Tokyo Leasing. Century Tokyo Leasing has a 0.32% stake in JFE Holdings, a company affiliated with JFE Shoji Trade Corporation. Century Tokyo Leasing conducts business with JFE Shoji Trade Corporation and its affiliated companies, but the prices and other transaction conditions are the same as transactions with other entities. (Reason for Appointment) Mr. Fukushima uses his extensive experience as a manager and his broad knowledge in Century Tokyo Leasing’s audit functions.

Management Meeting

The Management Meeting consists of the President and officers appointed by the President. Chaired by the President, it deliberates on particularly important matters concerning the execution of operations and makes decisions for the entire Group.

Project Evaluation Meeting

The Project Evaluation Meeting consists of the President and officers appointed by the President. It discusses and makes decisions about major business transactions being considered by Century Tokyo Leasing and Group companies, as well as transactions that warrant complex risk analysis.

Committees

ALM Committee

Century Tokyo Leasing created the Asset Liability Management (ALM) Committee to identify and minimize the exposure of assets and liabilities to risks including fluctuations in interest and foreign currency exchange rates. Chaired by the President, the ALM Committee discusses matters relevant to managing market, liquidity and other risks and reports to the Management Meeting.

Comprehensive Risk Management Committee

Century Tokyo Leasing created the Comprehensive Risk Management Committee to address exposure to a wide array of risks. Chaired by the director responsible for the Business Risks Management Division, the Comprehensive Risk Management Committee discusses matters including construction of the risk management system and approaches to measuring risk. It also periodically assesses Century Tokyo Leasing’s risk exposure and reports to the Management Meeting.

Internal Control Committee

Century Tokyo Leasing created the Internal Control Committee to

Internal Control

Basic Policy for the Internal Control System

All officers, managers and employees are expected to refer to the Management Philosophy as a basic policy for performing their work. Guided by our management philosophy, we have established an internal control system with the recognition that creating and using a

ensure the internal control system functions effectively. Chaired by the director responsible for the Audit Division, the Internal Control Committee discusses general internal control matters including evaluation of the effectiveness of the financial reporting system and the scope of evaluation and reports to the Management Meeting.

Credit Risk Management Committee

Century Tokyo Leasing created the Credit Risk Management Committee to manage credit risk. Chaired by the director responsible for the Credit Supervision Divisions, the Credit Management Committee discusses matters including the Group’s credit portfolio as a whole and credit risk management and reports to the Management Meeting.

IT and Administration Strategy Management Committee

Century Tokyo Leasing created the IT and Administration Strategy Management Committee to address system risk and administration risk. Chaired by the President, the IT and Administration Strategy Management Committee discusses matters including IT strategy, IT investment plans, and administrative organization plans and reports to the Management Meeting.

system to ensure appropriate business execution is an important management responsibility. We will upgrade this system to respond to changes in our internal and external environment.

Comments from Our External Directors

External DirectorYoshinori Shimizu

Professional Background

1989 Apr. Professor, Faculty of Commerce and Management, Hitotsubashi University

2000 Apr. Professor, Graduate School of Commerce and Management, Hitotsubashi University

2003 Apr. Vice President, Hitotsubashi University

2004 May President, Japan Society of Monetary Economics

2008 May Director, Japan Society of Monetary Economics

2010 May Executive Director, Japan Society of Monetary Economics


2010 Jul. Advisor, Century Tokyo Leasing Corporation

2010 Oct. Director and Vice President, The Mont Pelerin Society

2011 Apr. Honorary Professor, Hitotsubashi University (current position)

2011 Jun. External Director, Century Tokyo Leasing Corporation (current position)

2012 Jun. External Director, Nishinbo Holdings Inc. (current position)



I energetically discuss issues with an external perspective to support practical corporate governance.

I am an external director with experience as a monetary economics research professional rather than as a manager at a private company. I believe that my role in Century Tokyo Leasing’s corporate governance is to frankly express opinions with an external perspective as an independent officer to guide Century Tokyo Leasing’s management in a direction that contributes to the company’s social mission and sustainable growth. I have therefore attended meetings of the Board of Directors and other required meetings to deepen my understanding of Century Tokyo Leasing’s businesses while expressing opinions from my standpoint as a financial economics research professional. Century Tokyo Leasing is a comprehensive financial services enterprise that operates globally. Its Board of Directors definitely functions as a venue for frank discussions, and all directors, whether internal or external, debate which decisions are best in exercising their duty to make management judgments on behalf of all stakeholders.

I will continue to make appropriate judgments as an external director in fulfilling my obligation to further social contribution and growth and to stakeholders.

External DirectorAkio Nakamura

Professional Background

1978 Apr. Joined the Ministry of Finance

2005 Apr. Director-General, Fukuoka Regional Taxation Bureau, National Tax Agency

2006 Apr. Deputy Director-General (Debt Management), Financial Bureau, Ministry of Finance

2007 Apr. Deputy Director-General (Fiscal Investment and Loan Program, National Property), Financial Bureau, Ministry of Finance


2009 Jul. Director-General, Osaka Regional Taxation Bureau, National Tax Agency

2010 Jul. Director-General, Financial Bureau, Ministry of Finance

2011 Oct. Chairman, Sampo Japan Research Institute Inc. (current position; now called Sampo Japan Nipponkoa Research Institute Inc.)

2013 Mar. Special Partner, Tanabe & Partners (current position)

2015 Jun. External Director, Century Tokyo Leasing Corporation (current position)



Making transparent, fair, swift and resolute decisions

I became an external director (independent officer) of Century Tokyo Leasing Corporation on June 25, 2015.

The term corporate governance refers to the framework for making transparent, fair, swift and resolute decisions in light of the company’s relationships with stakeholders including shareholders, customers, employees and communities. As an external director who takes part in this process, my goal is to improve the effectiveness of Century Tokyo Leasing’s corporate governance from a standpoint that differs from internal directors in ways such as expressing opinions based on my knowledge and experience and making proposals that draw on my broad worldview. I intend to proactively visit frontline business operations for a direct dialogue with employees and other stakeholders to deepen my understanding of Century Tokyo Leasing’s management strategy and measures, and to use that understanding in my management judgments.

I will help to make Century Tokyo Leasing Group an organization in which employees can discuss matters frankly, enabling them to continuously take on challenges to support the Group’s international growth.

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. We also operate a whistle-blower system that strictly protects those reporting problems.

Compliance Education

Century Tokyo Leasing Group instills a compliance mindset through systematic, ongoing education. Initiatives include rank-based training for new employees and new managers, training via e-learning for all officers, managers and employees, and training at the divisional and branch level by compliance officers using compliance information as instructional material.

Target	Themes	Timing
New employees (rank-based training)	Compliance fundamentals including: <ul style="list-style-type: none">Sexual harassmentAbuse of authorityPersonal information securityInsider trading regulationsUnfair Competition Prevention ActCopyright infringementSocial media submissionsHandling of the loss of a mobile phone or smartphone etc.	April 2014
All officers, managers and employees (e-learning)	<ul style="list-style-type: none">Century Tokyo Leasing Group consulting/whistle-blower systemRevised sexual harassment guidelines (effective July 2014)Drunk drivingUse of personal mobile phones during working hours	June 2014
New managers (rank-based training)	<ul style="list-style-type: none">Understanding compliance as a managerInternal control systemCompliance and risk management	July and October 2014
All officers, managers and employees (e-learning)	<ul style="list-style-type: none">Response to Anti-Social ForcesCentury Tokyo Leasing Group consulting/whistle-blower system and insider trading regulationsDrinking-related troubleBribery of foreign officialsAbuse of authority (Management-related)	February 2015
Compliance officers (communication of information)	<ul style="list-style-type: none">Sales complianceInsider trading regulations, including overview, awareness of internal rules, and judging infractionsEliminating all ties with antisocial forcesSexual and power harassmentCase studies etc.	Information communicated six times Optional training at divisions and branches

Risk Management

Century Tokyo Leasing Group has proactively designed appropriate risk countermeasures according to risk scale and likelihood. Our systematic countermeasures to minimize the risk of losses are as follows.

Credit Risks

The Credit Risk Executive Committee sets basic policies in accordance with its rules, measures credit risk, and manages risk. The Project Evaluation Meeting uses a rule-based methodology to assess and decide on projects that require complex analysis, such as major deals and new schemes.

Market and Liquidity Risks

The ALM Committee comprehensively manages and procures funds based on committee rules to address interest rate fluctuations and other market risks and liquidity risk related to funding.

Information Security Risk

The Company manages information security risk based on a basic policy regarding information security, rules for handling

personal information, and a management system based on ISO 27001 standards.

System and Administration Risk

The IT and Administration Strategy Management Committee was established to discuss IT strategy, IT investment, and administrative organization to address system risk and administration risk based on the rules of the committee.

Operational Risk

The Business Risks Management Division addresses operational risk by identifying, quantifying and reviewing risk countermeasures, while the Business Risk Management Committee comprehensively reviews the Company’s overall risk controls, risk management systems, policies and measures based on the rules of the committee. In the event of a large-scale natural disaster or other crisis, the committee is organized to take immediate action.



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

Century Tokyo Leasing and its Group companies take an unwavering, 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 responsible for overseeing the Group's response to antisocial forces. This division is a member of Tokubouren (a special-interest incorporated association set up within the Tokyo Metropolitan Police Department to prevent violence). In close collaboration with Tokubouren, every effort is made to sever all ties with antisocial forces to earn the trust and confidence of society.

Information Disclosure (IR Policy)

The Company builds trust among shareholders and investors by offering them an accurate understanding of the Company through the proactive and ongoing disclosure of management strategies, business activity status and financial condition in a timely, fair and accurate 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 TSE. In addition, we disclose other information determined to be appropriate and useful for promoting the investment activities of market participants and a greater understanding of the Company.

Based on all relevant statutory, regulatory and related requirements, we disclose information via the Electronic Disclosure for Investors' NETwork (EDINET), which is the system for disclosing documents such as annual securities reports in accordance with Japan's Financial Instruments and Exchange Law, Tdnet, the company announcement disclosure service provided by the TSE; and the mass media. Upon completing disclosure via these outlets, we also disseminate information via the Company's website.

TOPICS Selected as "Competitive IT Strategy Company"

In May 2015, Century Tokyo Leasing was selected as a "Competitive IT Strategy Company." This designation comes from a joint program of the Ministry of Economy, Trade and Industry (METI) and the TSE in which they select and publicize outstanding companies by industry that execute competitive strategies for investing in and deploying IT to increase earnings and innovate their businesses. All enterprises listed on the TSE were potential candidates.

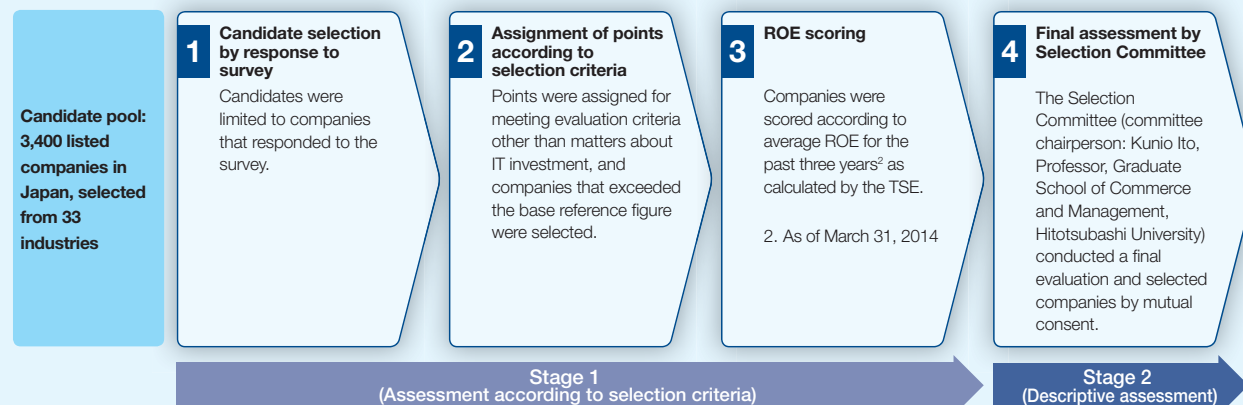
Enterprises that take the lead in executing competitive IT strategies are expected to increase corporate value and grow over the mid-to-long term by creating new business models and enhancing profitability. They are also expected to increase their stock prices through the appropriate understanding and appreciation they earn from investors.

METI and TSE selected 18 companies by screening all listed companies on the TSE using the criteria of competitive IT strategy execution and average ROE for the past three years that was higher than the industry average. In principle, one company was selected in each industry; Century Tokyo Leasing was selected in the "Other Financing Business" industry category.

Century Tokyo Leasing will continue to utilize IT to provide services that enhance customer convenience and alleviate burdens associated with office work so that it can grow alongside its customers and contribute to society as a comprehensive financial services enterprise that continually challenges itself.



"Competitive IT Strategy Company" Selection Process¹



1. Based on data available on the METI website

Basic Stance toward CSR Management

As an industry leader, Century Tokyo Leasing Group is committed to helping realize a sustainable society. The Group contributes to society and helps protect the environment through its business activities while improving its results. The Group practices CSR management that balances social and environmental concerns to fulfill its corporate social responsibility.

In addition, the Group is dedicated to ensuring sound and transparent management by enhancing corporate governance, with the aim of earning the trust and fulfilling the expectations of all its stakeholders, including customers, vendors, shareholders, investors, local communities and employees.

Environmental Protection Activities

Environmental Management System

Century Tokyo Leasing Group recognizes that addressing environmental issues is an important social responsibility. The Company and the four Group companies at the right have therefore obtained ISO14001 certification, the international standard for environmental management systems. The entire Group is also implementing ongoing activities to reduce its environmental load.

◎ Scope of coverage

- Century Tokyo Leasing Corporation (head office, Okachimachi office, Tatsumi Techno Center)
- Nippon Car Solutions Co., Ltd. (head office)
- Fujitsu Leasing Co., Ltd. (head office)
- TRY, Inc.
- TC Agency Corporation



Social Contribution through Our Businesses

Initiatives at Joint Venture Kyocera TCL Solar LLC

Century Tokyo Leasing Group operates in the renewable energy business through mega-solar power generation company Kyocera TCL Solar LLC, a joint venture established with Kyocera Corporation in 2012. In July 2013, this company began operating its first solar power plant, the Takamatsu Ikushima Mega-Solar Power Plant, and as of March 31, 2015 had a total of 20 power plants in operation with a combined output of 38.4 MW. This annual output is equivalent to the average annual electricity demand of 13,800 typical households in Japan.* In addition, Kyocera TCL Solar is developing 50 other power plants for which it forecasts total investment will be approximately ¥120 billion. Kyocera TCL Solar has recently complemented its facilities on land with solar power plant development on the rooftops of logistics facilities and other buildings, and on bodies of water such as agricultural reservoirs.

Century Tokyo Leasing Group will proactively complement the solar power generation business of Kyocera TCL Solar with other renewable energy businesses such as geothermal and off-shore wind power to contribute to the sustainable development of society.

*Based on average annual use of 3,254.4 kWh per household



The world's largest floating mega-solar power plant (as of May 11, 2015) at Kasai, Hyogo Prefecture

Together with Stakeholders

With Customers and Vendors

Many Japanese companies have been advancing into China and other Asian countries in step with the economic growth of the region. Century Tokyo Leasing Group has been expanding its network of bases mainly in East Asia and ASEAN in order to meet the capital investment and funding needs of these companies. In addition, in March 2015 the Group made CSI Leasing, Inc. an equity-method

affiliate. CSI Leasing is the largest independent leasing company in the United States and has a network of bases in over 30 countries around the world.

As of April 2015, Century Tokyo Leasing Group had a network of bases in 37 countries offering highly specialized services that comply with local business customs and laws.

■ With Shareholders and Investors

We have established a system for providing timely information to stakeholders including shareholders and investors appropriately and fairly to ensure the transparency of our corporate activities. We also deepen understanding of the Group's strengths and strategies among institutional investors and analysts through results briefings and individual meetings, and among individual investors through venues such as corporate briefings.

■ With Local Communities

Century Tokyo Leasing Group's social contribution activities include donating to non-profit organizations and groups working for the public good. In addition, the Group contributes an amount equivalent to 5% of the total amount of shareholder special benefits to the Japan Service Dog Association. Service dogs receive advanced training that enables them to assist people with physical disabilities in carrying out a host of daily activities. The Group also

■ With Employees

Century Tokyo Leasing Group aims to create a vibrant organization with a work environment that allows all employees to maximize their skills and abilities. We encourage employees to dress in accordance with the weather and implement shortened working hours during the hot summer months of July and August, when the government asks companies to conserve electricity.

In addition, we are working to improve work-life balance by regularly seeking greater efficiency in daily work routines to reduce the amount of overtime employees put in so they can spend more time with their families and friends and pursue self development.

◎ Key Presentations during Fiscal 2014

May 2014: Presentation of Results for Fiscal 2013

November 2014: Presentation of Results for the First Half of Fiscal 2014

November 2014: Corporate Briefing for Individual Investors (About 350 people attended each of two briefings held in Tokyo and Osaka)



Corporate briefing for individual investors

hosts demonstrations to raise awareness of service dogs and their vital role in society.

Moreover, the Group cleans up the area surrounding the head office and the Okachimachi office twice a year. Our energetic volunteer activities to contribute to local communities also included cleaning up Enoshima Katase Beach in May 2015.

We also increase the percentage of employees receiving periodic medical examinations by having managers encourage employees to undergo examinations and providing the Board of Directors with ongoing medical examination status reports. As a result, the percentage of employees receiving periodic medical examinations increased to 100% in fiscal 2014 from 90% in fiscal 2013 (including overseas employees but excluding employees who did not undergo medical examinations because they were on childcare leave). We will enhance programs to support employee health.

TOPICS Diversity in Human Resources and the Establishment of the Diversity Promotion Office

The workforce in Japan is shrinking because of the low birth rate and the aging of society. Century Tokyo Leasing Group established the Diversity Promotion Office within the Personnel Department on April 1, 2015 to address this and other changes in our future operating environment and to promote diversity.

The Diversity Promotion Office's activities include creating a corporate culture that empowers employees with diverse capabilities and personalities regardless of gender or nationality and enhancing measures to empowering women and foreign nationals, support career building and skill development, and support employees raising young children.

Empowering women is a focus. Our target for female

university graduate recruits is 30% of total new university graduate recruits. Once they enter the company, we provide skills development support tailored to career stage and also support career development with work and career design training. Century Tokyo Leasing Group wants to promote driven, capable women to supervisor and senior management positions. (As of July 1, 2015, the Group had one female executive officer. In addition, the number of female supervisors had increased 2.4 times compared with April 1, 2014 to 19.)

Century Tokyo Leasing Group will continue to implement various initiatives to be a company that empowers diverse human resources.

External Evaluation

Century Tokyo Leasing is a constituent stock in the FTSE4Good Index, a leading global indicator of socially responsible investment (SRI). This index is composed of companies that meet international standards for environmental sustainability and human rights, and that have excellent labor standards along the supply chain and measures in place to prevent bribery and corruption. The index is used as a benchmark by SRI funds when they screen for investment candidates.

In addition to being selected as a "Competitive IT Strategy

Company" as previously mentioned, Century Tokyo Leasing is also included in the JPX-Nikkei Index 400, a stock price index composed of companies that are highly appealing to investors and that meet global investment criteria, such as return on equity (ROE) that demonstrates efficient use of corporate capital.

Century Tokyo Leasing Group will continue striving to increase its corporate value.



FTSE4Good

Financial Section

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Six-Year Summary

Century Tokyo Leasing Corporation and Consolidated Subsidiaries
Years ended March 31

	Millions of yen					
	2010	2011	2012	2013	2014	2015
Operating Results						
Revenues ²	¥ 758,674	¥ 713,182	¥ 716,342	¥ 691,128	¥ 828,558	¥ 882,976
Leasing	635,808	598,925	603,767	584,636	707,483	758,749
Installment sales	105,412	94,114	88,955	81,898	86,768	81,841
Finance	11,764	13,210	14,030	16,934	19,938	22,921
Other businesses	5,688	6,932	9,588	7,658	14,368	19,464
Costs	693,569	641,589	643,684	620,245	731,229	759,298
Leasing	567,883	531,387	538,691	525,372	628,745	656,537
Installment sales	98,377	88,442	84,156	77,265	81,773	76,513
Finance	2,476	1,687	1,148	1,705	1,046	1,704
Other businesses	4,830	5,584	8,129	6,036	10,481	14,111
Interest expenses	20,000	14,487	11,558	9,864	9,183	10,431
Gross profit on revenues	65,105	71,593	72,657	70,882	97,329	123,678
Sales revenues (Gross profit on revenues before deducting interest expenses)	85,105	86,080	84,215	80,747	106,513	134,109
SG&A expenses	34,809	30,559	30,780	28,909	45,912	65,235
Personnel and non-personnel expenses	29,152	29,420	30,767	29,838	45,986	66,299
Allowance for doubtful accounts	5,656	1,138	12	(929)	(73)	(1,064)
Operating income	30,295	41,034	41,877	41,973	51,416	58,443
Ordinary income (Income before extraordinary items and income taxes)	33,414	44,170	46,252	46,292	55,167	60,668
Extraordinary gains (losses)	(249)	(3,465)	(2,170)	(103)	(96)	(960)
Net income	25,541	23,646	26,194	28,934	33,050	34,132
Financial Condition						
Total assets	¥2,132,892	¥2,184,599	¥2,260,389	¥2,465,817	¥2,884,773	¥3,151,871
Operating assets, including business guarantees	1,962,008	2,049,803	2,143,217	2,276,574	2,646,781	2,914,195
Leasing	1,410,109	1,383,695	1,375,761	1,473,866	1,783,880	1,914,950
Installment sales (after deducting deferred profit on installment sales)	200,539	191,836	187,986	201,559	213,719	239,390
Finance	327,306	448,190	530,655	555,938	593,105	699,232
Other businesses	—	—	—	—	6,770	12,019
Business guarantees	24,053	26,081	48,815	45,211	49,305	48,602
Interest-bearing debt	1,749,775	1,741,897	1,783,173	1,939,219	2,211,673	2,419,856
Net assets	158,115	178,752	201,272	233,668	285,484	336,537
Cash Flows						
Cash flows from operating activities	¥ 194,308	¥ 48,551	¥ (26,425)	¥ (89,711)	¥ (28,314)	¥ (171,023)
Cash flows from investing activities	(8,948)	23,191	(515)	(5,592)	9,994	(18,682)
Cash flows from financing activities	(306,146)	(89,762)	38,289	135,868	54,486	156,885
Cash and cash equivalents at end of year	50,947	32,793	44,530	83,122	115,841	71,864

	Yen					
	2010	2011	2012	2013	2014	2015
Per Share Data						
Net income	¥ 239.57	¥ 221.80	¥ 245.82	¥ 272.32	¥ 311.64	¥ 322.84
Net assets	1,410.61	1,594.57	1,796.62	2,092.46	2,386.02	2,776.37
Dividends	32.00	40.00	44.00	48.00	52.00	65.00
Significant Indicators						
Return on equity ³ (ROE)	18.5%	14.8%	14.5%	14.0%	13.9%	12.5%
Return on assets ³ (ROA)	1.5%	2.0%	2.1%	2.0%	2.1%	2.0%
Equity ratio	7.1%	7.8%	8.4%	9.0%	8.8%	9.3%
Overhead ratio ³	44.8%	41.1%	42.3%	42.1%	47.2%	53.6%

Persons					
Employees	1,732	1,715	1,722	1,676	3,309
					4,113

Notes: 1. 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 have been retroactively revised.
2. Revenues do not include internal revenues or transfers between segments.
3. 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
4. Data are rounded down to the nearest million beginning with the financial statements for the fiscal year ended March 31, 2015. Data for prior fiscal years have been restated accordingly.

Management's Discussion and Analysis of Operating Results

Century Tokyo Leasing Corporation and Consolidated Subsidiaries
Years ended March 31

Business Environment and the Group's Approaches

For fiscal 2014, the year ended March 31, 2015, the Japanese economy continued to recover gradually despite a temporary economic setback associated with the increase in the consumption tax rate. Corporate earnings and the employment and income environment continued to improve steadily, backed by the ongoing depreciation of the yen and strong stock prices.

Under these circumstances, Century Tokyo Leasing Group entered the second year of its second three-year medium-term management plan, which we launched in fiscal 2013 with the aim of becoming a robust comprehensive financial services enterprise, and moved ahead with initiatives to further reinforce the Group's sales base and management base.

We reinforced our sales base by enhancing our competitiveness in the leasing business, bolstering the financing business, expanding overseas businesses, and reinforcing activities in the automobile financing business both in Japan and overseas.

We enhanced our competitiveness in the leasing business by leveraging Group resources to raise our comprehensive proposal capabilities and further promoting differentiated sales that provide optimal solutions. We also decided to establish a vendor leasing joint venture with Orient Corporation that specializes in lease partnering with manufacturers and dealers.

In bolstering the financing business, we expanded our solar power generation business in the environment and energy field. This included an initiative by Kyocera TCL Solar LLC, a joint venture with Kyocera Corporation, to create the world's largest* floating megasolar power plant. In the aviation financing business, we began operating jointly in the aircraft leasing business with CIT Group Inc., a major finance and leasing company in the United States with which we

established joint ventures (consolidated subsidiaries) in the United States and Ireland.

We expanded our overseas businesses with several initiatives. We made TISCO Tokyo Leasing Co., Ltd. (TTL) in Thailand a consolidated subsidiary. We also acquired from the Bank of the Philippine Islands, a major bank in the Philippines, a 49% stake in its wholly owned subsidiary BPI Leasing Corporation, which we renamed BPI Century Tokyo Lease & Finance Corporation and made an equity-method affiliate. Moreover, we acquired a 35% stake in CSI Leasing, Inc. and made it an equity-method affiliate. CSI Leasing is the largest independent leasing company in the United States, and mainly handles information and communications equipment.

Reinforcing activities in the automobile financing business both in Japan and overseas included establishing Tong-Sheng Finance Leasing Co., Ltd., an automobile leasing company in China, as a wholly owned subsidiary of our Taiwan subsidiary President Tokyo Corporation.

To strengthen the management base, we have been reinforcing our financial base by diversifying our funding methods, including ongoing issuance of unsecured bonds with limited inter-bond pari passu clauses. TTL also met increased demand for funds in Thailand by locally issuing baht-denominated unsecured straight bonds.

*As of December 22, 2014

Overview of Results

As a result of operation, new transactions volume increased 4.6% compared with the previous fiscal year to ¥1,474,070 million.

Revenues increased 6.6% compared with the previous fiscal year to ¥882,976 million, operating income increased 13.7% to ¥58,443 million, ordinary income increased 10.0% to ¥60,668 million, and net income increased 3.3% to ¥34,132 million.

Revenues

Revenues in Leasing and Installment Sales increased ¥46,338 million, or 5.8%, compared with the previous fiscal year. Revenues increased ¥2,983 million, or 15.0%, in Finance, and ¥5,096 million, or 35.5%, in Other. As a result of year-on-year revenue growth in each business, revenues increased ¥54,417 million, or 6.6%, to ¥882,976 million. Revenues increased primarily because of the full-year contribution of Nippon Car Solutions Co., Ltd. and Nippon Rent-A-Car Service, Inc., which were equity-method affiliates that became consolidated subsidiaries during the previous fiscal year. The consolidation of these two subsidiaries also affected earnings, as discussed below.

Gross Profit and Operating Income

Gross profit increased ¥26,349 million, or 27.1%, compared with the previous fiscal year to ¥123,678 million. Selling, general and administrative (SG&A) expenses increased ¥19,322 million, or 42.1%, to ¥65,235 million. As a result, operating income increased ¥7,026 million, or 13.7%, to ¥58,443 million. A key factor was the consolidation of the two subsidiaries discussed above.

Ordinary Income

Other income decreased ¥1,525 million, or 40.7%, compared with the previous fiscal year to ¥2,225 million. Other income and expenses associated with foreign exchange increased ¥1,644 million. This is the net increase after deducting the ¥918 million increase in expenses on derivatives other than for trading or hedging from the ¥2,562 million increase in foreign exchange gains. However, gain on amortization of negative goodwill decreased ¥589 million and equity in earnings of affiliates decreased ¥2,533 million, or 83.1%, because Nippon Car Solutions and Nippon Rent-A-

Car Service became consolidated subsidiaries. As a result, ordinary income increased ¥5,500 million, or 10.0%, to ¥60,668 million.

Net Income

Extraordinary losses increased ¥864 million compared with the previous fiscal year to ¥960 million. Despite a ¥1,218 million decrease in impairment loss, gain on bargain purchase decreased 52.7% to ¥743 million, loss on devaluation of investments in securities was ¥885 million, and expense involved in system integration involving consolidated subsidiaries and office transfer expenses together totaled ¥1,121 million. As a result of these and other factors, income before income taxes and minority interests increased ¥4,636 million, or 8.4%, to ¥59,707 million.

The total of current and deferred income taxes increased ¥1,561 million, or 7.8%, compared with the previous fiscal year to ¥21,607 million. Minority interests increased ¥1,992 million, or 100.9%, to ¥3,968 million.

Consequently, net income increased ¥1,081 million, or 3.3%, compared with the previous fiscal year to ¥34,132 million.

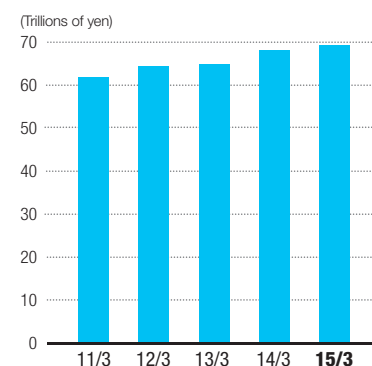
Net income per share increased ¥11.20 year on year to ¥322.84. ROE (the ratio of net income to shareholders' equity) decreased 1.4 percentage points to 12.5%, while ROA (the ratio of ordinary income to total assets) decreased 0.1 percentage points to 2.0%.

Results by Reportable Segment

In Leasing and Installment Sales, the new transactions volume decreased 1.0% compared with the previous fiscal year to ¥794,801 million. Revenue from customers increased 5.8% to ¥840,590 million. Segment profit increased 6.6% to ¥46,439 million.

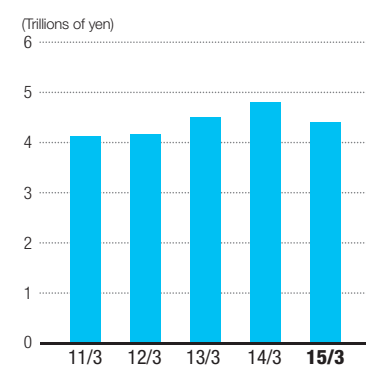
In Finance, new transactions volume increased 12.3% compared with the previous fiscal year to ¥673,529 million.

Total Private Capital Investment



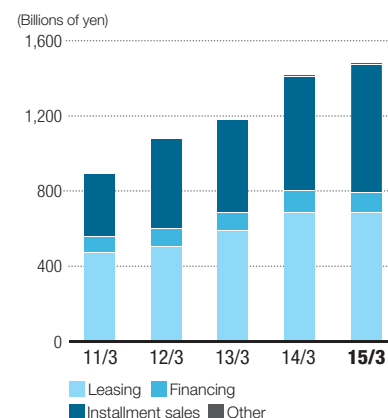
Source: Cabinet Office Survey
Preliminary data announced on June 8, 2015 for the fiscal year ended March 31, 2015

Total Capital Investment Financed by Leasing

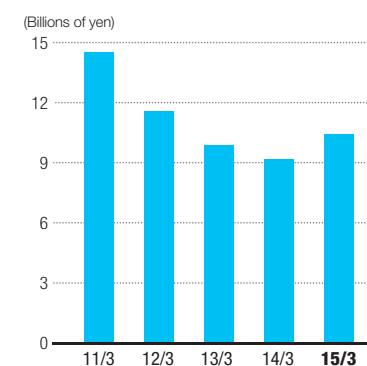


Source: Japan Leasing Association

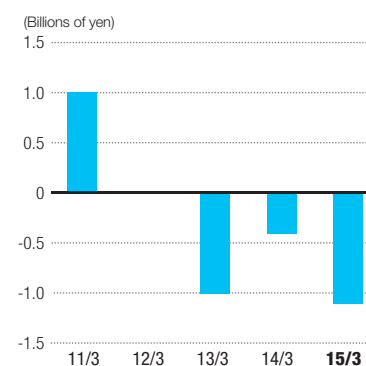
New Transactions Volume



Interest Expenses

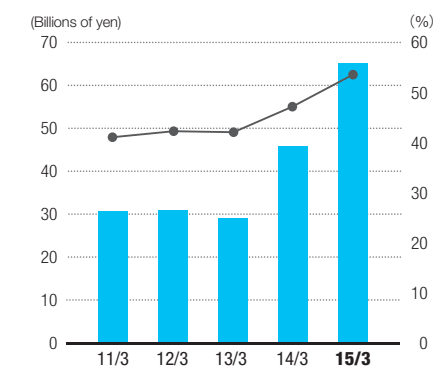


Credit Costs¹



1. 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.

SG&A Expenses/Overhead Ratio²



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

Revenue from customers increased 15.0% to ¥22,921 million. Segment profit increased 22.1% to ¥13,993 million.

In Other, the new transactions volume decreased 17.5% compared with the previous fiscal year to ¥5,739 million. Revenue from customers increased 35.5% to ¥19,464 million. Segment profit increased 33.2% to ¥4,800 million.

Financial Condition

Total Assets

Total assets as of March 31, 2015 increased ¥267,098 million, or 9.3%, from a year earlier to ¥3,151,871 million. This was mainly due to growth in operating assets.

Operating Assets

The balance of operating assets, including business guarantees, as of March 31, 2015 increased ¥267,413 million, or 10.1%, from a year earlier to ¥2,914,195 million. By segment, the balance of operating assets was ¥2,154,340 million for Leasing and Installment Sales, ¥747,834 million (including business guarantees) for Finance, and ¥12,019 million for Other.

Liabilities

Total liabilities as of March 31, 2015 increased ¥216,045 million, or 8.3%, from a year earlier to ¥2,815,334 million. The primary factor was an increase in interest-bearing debt.

Total interest-bearing debt increased ¥208,183 million, or 9.4%, from a year earlier to ¥2,419,856 million. By component, short-term funding increased ¥60,648 million, or 4.9%, to ¥1,297,267 million. Long-term funding increased ¥147,534 million, or 15.1%, to ¥1,122,588 million.

Net Assets

Net assets as of March 31, 2015 increased ¥51,052 million, or 17.9%, from a year earlier to ¥336,537 million. The primary factor was an increase of ¥29,043 million in retained earnings.

Funding and Liquidity

Basic Funding Policy

Century Tokyo Leasing Group has a basic policy of curtailing funding costs and enhancing funding stability. The Group therefore diversifies funding sources and methods while responding flexibly to changes in financial conditions. The Group also uses asset-liability management (ALM) to comprehensively analyze and appropriately control market risks.

Indirect and Direct Funding

Century Tokyo Leasing Group's funding consists of indirect funding through debt financing from financial institutions and direct funding from capital markets.

As of March 31, 2015, indirect funding increased ¥166,554 million from a year earlier to ¥1,394,369 million. Direct funding through the issuance of commercial paper, straight bonds and other instruments increased ¥41,629 million to ¥1,025,487 million. As a result, the direct financing ratio as of March 31, 2015 decreased 2.1 percentage points to 42.4%. In addition, the long-term funding ratio increased 2.3 percentage points to 46.4%.

Ensuring Liquidity

Century Tokyo Leasing Group has executed overdraft agreements and commitment line agreements with 86 financial institutions to ensure liquidity. As of March 31, 2015,

total funding available under these agreements increased ¥147,186 million from a year earlier to ¥1,174,322 million.

The balance of unused facilities under the overdraft and commitment line agreements as of March 31, 2015 was ¥700,732 million. The Group is confident that it has ensured ample funding liquidity.

Cash Flows

Cash Flows from Operating Activities

Net cash used in operating activities was ¥171,023 million, a year-on-year increase compared with net cash used in operating activities of ¥28,314 million for the previous fiscal year. The primary factor was the increase in new transactions volume for operating assets.

Cash Flows from Investing Activities

Net cash used in investing activities was ¥18,682 million, compared with net cash provided by investing activities of ¥9,994 million for the previous fiscal year. This was mainly due to purchases of investments in securities, primarily because the Group acquired shares of CSI Leasing and made it an equity-method affiliate.

Cash Flows from Financing Activities

Net cash provided by financing activities increased to ¥156,885 million from ¥54,486 million for the previous fiscal year. Indirect funding provided cash totaling ¥127,077 million. In the previous fiscal year, repayment of indirect funding used cash totaling ¥30,612 million.

As a result, cash and cash equivalents as of March 31, 2015 decreased ¥43,977 million from a year earlier to ¥71,864 million.

Fiscal 2015 Outlook

We expect an operating environment in which the Japanese economy will continue to recover steadily due to factors including higher exports and corporate earnings now that the effect of the consumption tax rate increase has run its course. Global economic uncertainties will likely include slower economic growth in China, debt problems in Europe, and the direction of interest rates in the United States.

Given this outlook, Century Tokyo Leasing Group will continue to minimize funding and credit costs while improving profitability in ways such as enhancing our competitiveness in the leasing business, bolstering the financing business, expanding overseas businesses, and reinforcing activities in the automobile financing business both in Japan and overseas.

For fiscal 2015, the year ending March 31, 2016, we therefore forecast that total revenues will increase 3.1% year on year to ¥910,000 million, operating income will increase 6.1% to ¥62,000 million, ordinary income will increase 5.5% to ¥64,000 million, and net income attributable to owners of parent will increase 6.9% to ¥36,500 million.

Basic Policy for the Distribution of Profits and Dividends for Fiscal 2014 and Fiscal 2015

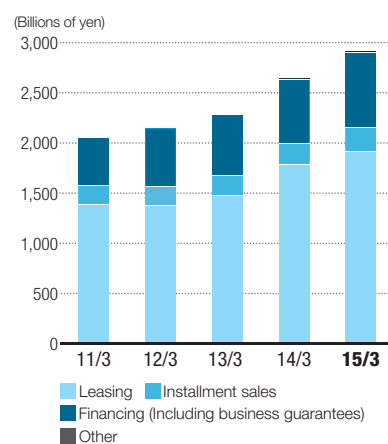
Century Tokyo Leasing Group increases corporate value by continuously expanding its business operations and reinforcing its business structure. The Group does so with a basic policy of enhancing internal capital reserves while providing stable distributions of profits to shareholders over the long term.

Management will effectively deploy internal capital reserves largely to purchase quality operating assets.

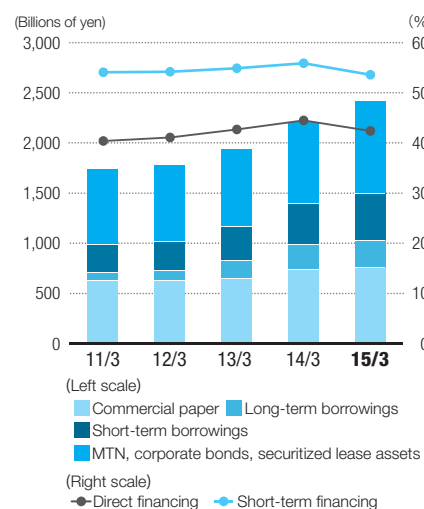
For fiscal 2014, ended March 31, 2015, Century Tokyo Leasing initially forecast that it would pay an annual dividend of ¥56 per share consisting of a ¥28 per share interim dividend and a ¥28 per share year-end dividend. On November 4, 2014, the Company announced that it would increase the annual dividend to ¥65 per share by increasing the interim dividend by ¥4 to ¥32 per share and the year-end dividend by ¥1 to ¥33 per share.

For fiscal 2015, ending March 31, 2016, Century Tokyo Leasing plans to pay an annual dividend of ¥70 per share, which will consist of a ¥35 per share interim dividend and a ¥35 per share year-end dividend, based on the above policy for the distribution of profits to shareholders and in appreciation of the support of the shareholders.

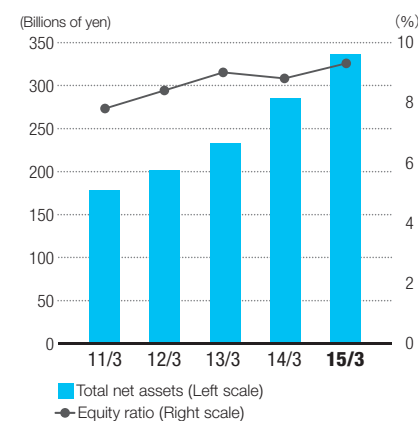
Operating Assets by Segment



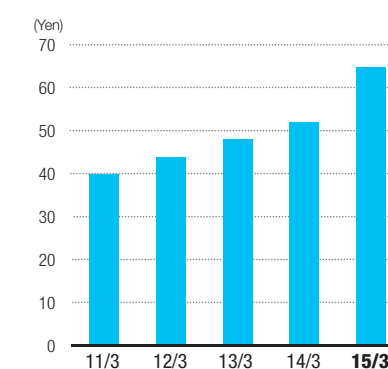
Fund Procurement



Total Net Assets/Equity Ratio



Dividends per Share



Business and Other Risks

The following are risks that may influence the Group's business performance, stock price and financial condition.

Credit Risk

Leasing transactions involve providing credit to customers, generally on an unsecured basis, over a relatively long period averaging about five years. The expected profit is secured only when all leasing and other fees have been collected from the customer. However, in the event of incidents such as nonpayment by the customer, we collect as much as possible through such measures as selling the leased property in question or leasing it to another customer.

The Group minimizes credit risk by cautiously managing credit, assessing property, and controlling credit risks in its portfolio of operating assets. However, the Group's performance may be affected if future economic trends cause the creditworthiness of companies to deteriorate and bad debt to emerge.

Impact of Interest Rate Volatility and Changes in the Funding Environment

In our main business of lease and installment sales transactions, we set leasing fees according to factors including the property purchase price and interest rates when the contract is signed, and leasing fees do not vary during the contract period. On the other hand, interest expense (financing costs) represents the cost of lease transactions, and is affected by fluctuations in market interest rates because the Group funds the underlying assets using both loans with variable interest rates and long-term fixed-rate funding. Therefore, interest expense may increase if market interest rates rise.

The Group funds its operations with indirect funding and direct funding that includes commercial paper and corporate bonds. Changes in the funding environment may affect funding.

Interest rate volatility and changes in the funding environment may affect the Group's performance. However, the Group rigorously controls funding risks using ALM analysis, and hedges risks as necessary.

The Impact of Changes in Private Capital Investment Trends

Temporary differences notwithstanding, private capital investment and capital investment financed by leasing are interrelated. This trend is expected to continue in the future.

While the Group's new transactions volume has not been perfectly correlated with private capital investment and capital investment financed by leasing in recent years, a large

decrease in private capital investment and a concomitant decline in capital investment financed by leasing could affect the Group's performance.

Stock Price Volatility Risk

The Group may opt to strengthen its relationships with partner companies by owning shares of their stock. The Group periodically reviews stockholdings associated with particular business relationships, but stock price volatility could affect the Group's performance.

The Impact of Fluctuations in the Value of Asset Holdings and Investment Assets

Century Tokyo Leasing Group holds and invests in assets with specified values, including ships, aircraft, real estate and automobiles, as a part of its operating lease and rental operations. While the Group takes great care in identifying the value of these assets, asset values are subject to change. Accordingly, a decline in the value of portfolio and investment assets could affect the Group's performance.

System Change Risk

The Group operates based on current legal, tax, accounting and other systems and standards. Considerable change in these systems could affect the Group's performance.

Risk of 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 a new strain of influenza or SARS. Unpredictable events that cause economic damage could affect the Group's performance.

Other Risks

In addition to the above risks, the Group is exposed to various other risks including information system risks, such as failure and errors in sales management, contract management, asset management, statistical operations and other areas; administrative risks due to improper administrative procedures; and compliance risk that may result in loss of social trust due to noncompliance with laws or regulations or social norms.

Consolidated Balance Sheet

Century Tokyo Leasing Corporation and Consolidated Subsidiaries
As of March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Assets			
Current assets:			
Cash on hand and in banks (Notes 8, 13 and 18)	¥ 70,560	¥ 79,840	\$ 586,682
Accounts receivable:			
Installment sales (Notes 8, 9 and 18)	252,946	225,937	2,103,152
Lease receivables and investment assets (Notes 8, 16 and 18)	1,485,017	1,461,053	12,347,368
Loans (Notes 8, 9 and 18)	535,842	474,155	4,455,327
Leases	18,630	17,612	154,903
Operational investment securities (Notes 6 and 18)	161,790	111,965	1,345,225
Other operating assets	—	5,097	—
Short-term investment securities (Notes 6, 13 and 18)	2,760	25,140	22,948
Inventories (Note 9)	880	1,455	7,319
Deferred tax assets (Note 14)	5,943	4,377	49,416
Other current assets (Note 8)	56,804	62,191	472,305
Allowance for doubtful accounts (Note 18)	(3,787)	(3,410)	(31,489)
Total current assets	2,587,387	2,465,415	21,513,160
Investments and other assets:			
Investments in securities (Notes 6, 8 and 18)	67,344	42,511	559,941
Long-term loans and other assets	24,314	23,040	202,165
Claims provable in bankruptcy or rehabilitation (Note 18)	2,239	4,305	18,623
Deferred tax assets (Note 14)	3,575	3,895	29,732
Allowance for doubtful accounts (Note 18)	(1,372)	(2,929)	(11,411)
Total investments and other assets	96,101	70,824	799,050
Property and equipment, at cost less accumulated depreciation:			
Leased assets (Notes 7 and 8)	429,659	322,535	3,572,456
Advances for purchases of property for lease	8,424	586	70,044
Other operating assets (Note 7)	12,019	6,770	99,940
Own assets in use (Note 7)	9,219	8,061	76,655
Property and equipment, net	459,322	337,954	3,819,097
Intangible assets:			
Computer programs leased to customers	273	290	2,272
Goodwill	4,139	4,871	34,420
Other intangible assets	4,646	5,416	38,630
Total intangible assets	9,059	10,578	75,322
Total assets	¥3,151,871	¥2,884,773	\$26,206,630

The accompanying notes are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Liabilities and net assets			
Current liabilities:			
Short-term borrowings (Notes 8, 9 and 18)	¥1,282,567	¥1,217,919	\$10,664,072
Current portion of long-term debt (Notes 8 and 9)	373,272	354,007	3,103,619
Notes and accounts payable – trade (Note 18)	202,880	222,505	1,686,878
Lease obligations (Note 18)	7,305	6,075	60,739
Accrued income taxes (Note 14)	10,160	14,781	84,481
Deferred tax liabilities (Note 14)	1,244	2,539	10,350
Deferred profit on installment sales (Note 18)	13,555	12,217	112,711
Other current liabilities	52,234	44,272	434,306
Total current liabilities	1,943,221	1,874,318	16,157,159
Long-term liabilities:			
Long-term debt (Notes 8, 9 and 18)	764,016	639,747	6,352,509
Lease obligations (Note 18)	11,329	10,472	94,198
Provision for directors' retirement benefits	445	291	3,704
Net defined benefit liability (Note 15)	7,119	7,170	59,199
Deferred tax liabilities (Note 14)	3,381	918	28,119
Provision for automobile inspection costs	911	951	7,576
Other long-term liabilities	84,908	65,418	705,980
Total long-term liabilities	872,112	724,969	7,251,289
Total liabilities	2,815,334	2,599,288	23,408,448
Contingent liabilities (Note 17)			
Net assets (Note 23):			
Shareholders' equity (Notes 19 and 21):			
Common stock without par value:			
Authorized: 400,000,000 shares			
Issued: 106,624,620 shares in 2015 and 2014	34,231	34,231	284,618
Capital surplus	5,537	5,537	46,045
Retained earnings	233,650	204,606	1,942,713
Treasury stock:			
1,114,634 shares in 2015 and 821,663 shares in 2014	(2,876)	(1,999)	(23,918)
Total shareholders' equity	270,542	242,376	2,249,459
Accumulated other comprehensive income			
Net unrealized holding gains on securities	16,439	10,338	136,690
Net unrealized gain (loss) on derivative instruments	(9)	(761)	(81)
Translation adjustments	6,026	1,057	50,110
Remeasurements of defined benefit plans	(64)	(562)	(532)
Total accumulated other comprehensive income	22,392	10,071	186,186
Share subscription rights (Note 21)	491	312	4,089
Minority interests	43,110	32,724	358,447
Total net assets	336,537	285,484	2,798,181
Total liabilities and net assets	¥3,151,871	¥2,884,773	\$26,206,630

The accompanying notes are an integral part of these statements.

Consolidated Statement of Income

Century Tokyo Leasing Corporation and Consolidated Subsidiaries
Years Ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Revenues	¥882,976	¥828,558	\$7,341,621
Costs	759,298	731,229	6,313,279
Gross profit	123,678	97,329	1,028,342
Selling, general and administrative expenses (Note 10)	65,235	45,912	542,410
Operating income	58,443	51,416	485,931
Other income (expenses):			
Interest and dividend income	964	981	8,020
Interest expense	(458)	(515)	(3,815)
Equity in earnings of affiliates	513	3,047	4,272
Gain on amortization of negative goodwill	—	589	—
Foreign exchange gain (loss)	3,794	1,231	31,551
Expenses on derivatives other than for trading or hedging	(2,782)	(1,863)	(23,135)
Gain on bargain purchase	667	1,411	5,550
Gain on sale of investments in securities	600	390	4,991
Loss on valuation of investments in securities	(885)	—	(7,358)
System integration related expenses (Note 11)	(791)	—	(6,577)
Office transfer related expenses (Note 11)	(330)	—	(2,747)
Merger expenses of subsidiaries	—	(371)	—
Loss on step acquisitions	—	(241)	—
Other, net	(28)	(1,005)	(238)
Income before income taxes and minority interests	59,707	55,071	496,446
Income taxes (Note 14):			
Current	24,399	23,630	202,871
Deferred	(2,792)	(3,584)	(23,217)
	21,607	20,045	179,654
Income before minority interests	38,100	35,026	316,791
Minority interests	3,968	1,975	32,994
Net income (Note 23)	¥ 34,132	¥ 33,050	\$ 283,796

The accompanying notes are an integral part of these statements.

Consolidated Statement of Comprehensive Income

Century Tokyo Leasing Corporation and Consolidated Subsidiaries
Years Ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Income before minority interests	¥38,100	¥35,026	\$316,791
Other comprehensive income (Note 12)			
Net unrealized holding gains on securities	6,136	992	51,024
Net unrealized gain (loss) on derivative instruments	748	(945)	6,221
Translation adjustments	4,912	4,361	40,845
Remeasurements of defined benefit plans	667	—	5,547
Share of other comprehensive income of affiliates accounted for using equity method	605	202	5,032
Total other comprehensive income	13,069	4,611	108,670
Comprehensive income	¥51,170	¥39,637	\$425,462
Comprehensive income attributable to:			
Shareholders of Century Tokyo Leasing Corporation	¥46,453	¥37,404	\$386,242
Minority interests	¥ 4,716	¥ 2,232	\$ 39,219

The accompanying notes are an integral part of these statements.

Consolidated Statement of Changes in Net Assets

Century Tokyo Leasing Corporation and Consolidated Subsidiaries
Years Ended March 31, 2015 and 2014

	Number of shares		Millions of yen	Thousands of U.S. dollars (Note 1)
	Thousands			
	2015	2014	2015	2014
Common stock				
Balance at beginning of year	106,624	106,624	¥ 34,231	¥ 34,231
Balance at end of year	106,624	106,624	34,231	34,231
Capital surplus				
Balance at beginning of year			5,537	5,538
Disposal of treasury stock			—	(0)
Balance at end of year			5,537	5,537
Retained earnings				
Balance at beginning of year			204,606	176,865
Cumulative effects of changes in accounting policies			49	—
Restated balance at beginning of year			204,655	176,865
Net income for the year			34,132	33,050
Cash dividends			(6,137)	(5,307)
Disposal of treasury stock			(7)	(3)
Change of scope of consolidation			1,006	—
Balance at end of year			233,650	204,606
Treasury stock				
Balance at beginning of year	(821)	(370)	(1,999)	(581)
Purchase of treasury stock	(307)	(463)	(913)	(1,436)
Disposal of treasury stock	14	12	35	19
Balance at end of year	(1,114)	(821)	(2,876)	(1,999)
Total shareholders' equity			¥270,542	¥242,376
Balance at beginning of year			242,376	216,052
Cumulative effects of changes in accounting policies			49	—
Restated balance at beginning of year			242,425	216,052
Cash dividends			(6,137)	(5,307)
Net income for the year			34,132	33,050
Purchase of treasury stock			(913)	(1,436)
Disposal of treasury stock			28	16
Change of scope of consolidation			1,006	—
Balance at end of year			¥270,542	¥242,376
Net unrealized holding gains on securities				
Balance at beginning of year			¥ 10,338	¥ 9,423
Net changes of items other than shareholders' equity			6,101	914
Balance at end of year			16,439	10,338
Net unrealized gain (loss) on derivative instruments				
Balance at beginning of year			(761)	137
Net changes of items other than shareholders' equity			752	(899)
Balance at end of year			(9)	(761)
Translation adjustments				
Balance at beginning of year			1,057	(3,282)
Net changes of items other than shareholders' equity			4,969	4,339
Balance at end of year			6,026	1,057
Remeasurements of defined benefit plans				
Balance at beginning of year			(562)	—
Net changes of items other than shareholders' equity			498	(562)
Balance at end of year			(64)	(562)
Total accumulated other comprehensive income			22,392	10,071
Balance at beginning of year			10,071	6,279
Net changes of items other than shareholders' equity			12,321	3,791
Balance at end of year			22,392	10,071
Share subscription rights (Note 21)				
Balance at beginning of year			312	148
Net changes of items other than shareholders' equity			179	164
Balance at end of year			491	312
Minority interests				
Balance at beginning of year			32,724	11,187
Net changes of items other than shareholders' equity			10,386	21,536
Balance at end of year			43,110	32,724
Total net assets			336,537	285,484
Balance at beginning of year			285,484	233,668
Cumulative effects of changes in accounting policies			49	—
Restated balance at beginning of year			285,534	233,668
Cash dividends			(6,137)	(5,307)
Net income for the year			34,132	33,050
Purchase of treasury stock			(913)	(1,436)
Disposal of treasury stock			28	16
Change of scope of consolidation			1,006	—
Net changes of items other than shareholders' equity			22,886	25,492
Balance at end of year			¥336,537	¥285,484

The accompanying notes are an integral part of these statements.

Consolidated Statement of Cash Flows

Century Tokyo Leasing Corporation and Consolidated Subsidiaries
Years Ended March 31, 2015 and 2014

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 59,707	¥ 55,071	\$ 496,446
Adjustments to reconcile income before income taxes and minority interests to net cash used in operating activities:			
Depreciation and amortization of leased assets	70,832	49,859	588,942
Increase (decrease) in allowance for doubtful accounts	(2,074)	(1,315)	(17,245)
Loss on disposal of leased assets	18,236	66,521	151,630
Loss on devaluation of investments in securities	885	—	7,358
Foreign exchange loss (gain)	(3,794)	(1,231)	(31,551)
Interest and dividend income	(964)	(981)	(8,020)
Interest expense	10,890	9,699	90,546
Gain on sale of investments in securities	(600)	(390)	(4,991)
Decrease (increase) in installment sales receivable	(11,526)	1,876	(95,835)
Decrease (increase) in lease receivables and investment assets	885	(92,544)	7,362
Decrease (increase) in loans receivable	(64,761)	(18,644)	(538,470)
Decrease (increase) in operational investment securities	(46,900)	(8,703)	(389,956)
Purchases of leased assets	(177,131)	(111,539)	(1,472,779)
Decrease (increase) in claims provable in bankruptcy or rehabilitation	2,134	1,415	17,744
Increase (decrease) in trade notes and accounts payable	(19,877)	27,031	(165,272)
Other, net	32,395	21,911	269,358
Subtotal	(131,663)	(1,964)	(1,094,732)
Interest and dividend income received	1,505	1,832	12,521
Interest expense paid	(11,093)	(10,182)	(92,237)
Income taxes paid	(29,772)	(18,000)	(247,545)
Net cash used in operating activities	(171,023)	(28,314)	(1,421,994)
Cash flows from investing activities:			
Purchases of own assets in use	(3,297)	(2,595)	(27,420)
Proceeds from sales/redemptions of investments in securities	5,252	3,079	43,671
Purchases of investments in securities	(24,192)	(791)	(201,154)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	11,765	—
Collection of loans receivable	9	25	75
Other, net	3,546	(1,490)	29,489
Net cash provided by (used in) investing activities	(18,682)	9,994	(155,338)
Cash flows from financing activities:			
Increase (decrease) in short-term borrowings, net	40,130	78,763	333,670
Proceeds from long-term debt	409,236	269,255	3,402,649
Repayment of long-term debt	(311,441)	(332,394)	(2,589,519)
Proceeds from issuance of bonds	96,770	90,974	804,606
Redemption of bonds	(73,616)	(46,700)	(612,089)
Proceeds from stock issuance to minority shareholders	3,757	1,475	31,241
Cash dividends paid	(6,137)	(5,307)	(51,027)
Other, net	(1,814)	(1,580)	(15,087)
Net cash provided by financing activities	156,885	54,486	1,304,444
Effect of exchange rate changes on cash and cash equivalents	(13,151)	(3,447)	(109,352)
Net increase (decrease) in cash and cash equivalents	(45,972)	32,718	(382,241)
Cash and cash equivalents at beginning of year	115,841	83,122	963,176
Increase in cash and cash equivalents from newly consolidated subsidiaries	1,995	—	16,587
Cash and cash equivalents at end of year (Note 13)	¥ 71,864	¥ 115,841	\$ 597,522

The accompanying notes are an integral part of these statements.

Notes to Consolidated Financial Statements

Century Tokyo Leasing Corporation and Consolidated Subsidiaries
March 31, 2015 and 2014

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 ¥120.27 = US\$1.00, the approximate rate of exchange in effect on March 31, 2015. 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.

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 TC-CIT Aviation Ireland Limited as a consolidated subsidiary. In addition, 8 other new companies have been included in the scope of consolidation during the fiscal year ended March 31, 2015 due to establishment and so on.

TISCO Tokyo Leasing Co., Ltd. which was an affiliated company accounted for by the equity method in the previous year has been included in the scope of consolidation from the fiscal year ended March 31, 2015 due to the criteria for control having been met. In addition, 14 other companies have been included in the scope of consolidation from the fiscal year ended March 31, 2015 due to an increase in materiality.

A total of 4 companies, including TLC Orchid 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, 2015.

TISCO Tokyo Leasing Co., Ltd. has been excluded from equity method accounting from the fiscal year ended March 31, 2015, due to its inclusion in consolidation. BPI Century Tokyo Lease & Finance Corporation and other 9 companies have been included as affiliated companies accounted for by the equity method from the fiscal year

ended March 31, 2015, due to the acquisition of their shares and other reasons.

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 mainly used their financial statements as of their respective fiscal year end.

The number of consolidated subsidiaries and affiliated companies for 2015 are as follows:

	2015
Consolidated subsidiaries	125
Affiliated companies	15

In preparing the consolidated financial statements as of March 31, 2015, the financial statements of TLC Freesia Co., Ltd. and 20 other subsidiaries were consolidated by using their financial statements as of the parent fiscal year end or as of December 31, 2014 and were prepared solely for consolidation purposes. Century Tokyo Leasing (USA) and 21 other subsidiaries were consolidated using their financial statements as of their respective fiscal year end, which falls on December 31, 2014, and necessary adjustments were made to their financial statements to reflect any significant transactions from January 1 to March 31, 2015.

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 statement 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 expense

Interest expense is 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 expense classified as cost of sales is 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 statement of income. Investments in a limited partnership are measured using the equity method. As of March 31, 2015 and 2014, 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

Computer software leased to customers is amortized 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 between 5 and 13 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 the amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of balance sheet date. 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 swaps 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, and loans receivables denominated in foreign currencies and forecasted transactions. 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 sheet. Interest-rate swaps which qualify for hedge accounting and meet specific matching criteria are not measured at fair 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.

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) Provision for automobile inspection costs

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

3. Standards Issued but Not Yet Effective

Accounting standards for business combinations

On September 13, 2013, the ASBJ issued "Revised Accounting Standard for Business Combinations" (ASBJ Statement No. 21), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7), "Revised Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2), "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10), and "Revised Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4).

(1) Overview

Under these revised accounting standards, the accounting treatment for any changes in a parent's ownership interest in a subsidiary when the parent retains control over the subsidiary and the corresponding accounting for acquisition-related costs were revised. In addition, the presentation method of net income was amended, the reference to "minority interests" was changed to "non-controlling interests," and transitional provisions for these accounting standards were also defined.

(2) Scheduled date of adoption

The Company expects to adopt these revised accounting standards and guidance from the beginning of the fiscal year ending March 31, 2016.

(3) Impact of adopting revised accounting standards and guidance

The Company is currently evaluating the effect of adopting these revised standards on its consolidated financial statements.

4. Accounting Changes

The Company adopted "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 of May 17, 2012) (hereinafter, the "Accounting Standard") and "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 of March 26, 2015) (hereinafter, the "Guidance"), specifically the provisions in the Accounting Standard, Paragraph 35, and the Guidance, Paragraph 67, from the beginning of the fiscal year ended March 31, 2015. These accounting standards require entities to review the calculation methods for the retirement benefit obligation and service costs. Specifically, the method of determining the discount rates with reference to bonds was changed from the method based on a period approximate to the expected average remaining working lives of employees to the method using a single weighted average discount rate which reflects the estimated timing and amount of benefit payments.

In addition, some consolidated subsidiaries changed the method of attributing the expected retirement benefits to periods from the straight-line basis to the benefit formula basis. The effects of the change in the calculation methods for the retirement benefit obligation and service costs have been recorded as an adjustment to retained earnings at the beginning of the fiscal year ended March 31, 2015 in accordance with the transitional treatment stipulated in the Accounting Standard, Paragraph 37. As a result of this change, net defined benefit liability decreased by ¥166 million (\$1,385 thousand) and retained earnings increased by ¥49 million (\$409 thousand) at the beginning of the fiscal year ended March 31, 2015. Operating income and income before income taxes and minority interests for the fiscal year ended March 31, 2015 increased by ¥33 million (\$276 thousand), respectively.

In addition, the effects on net assets per share, basic net income and diluted net income per share are insignificant.

5. Change in Presentation Method

(Consolidated Balance Sheet)

“Accounts receivable-Other” under current assets in the amount of ¥10,152 million, “Unconsolidated subsidiaries and affiliates” under investments and other assets in the amount of ¥8,200 million and “Other securities” under investments and other assets in the amount of ¥34,311 million, and “Guarantee deposits from customers” under long-term liabilities in the amount of ¥25,046 million, which were presented separately in the previous year, are included in “Other current assets”, “Investments in securities” and “Other long-term liabilities,” respectively, from the fiscal year ended March 31, 2015 for clarity.

(Consolidated Statement of Income)

“Impairment loss” in the amount of ¥1,218 million in the previous fiscal year, which was presented separately, is included in “Other, net” from the fiscal year ended March 31, 2015 since the amount was insignificant.

(Consolidated Statement of Cash Flows)

“Impairment loss” in the amount of ¥1,218 million in the previous fiscal year, which was presented separately under “Cash flows from operating activities,” is included in “Other, net” under “Cash flows from operating activities” from the fiscal year ended March 31, 2015 since the amount was insignificant.

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

Operational investment securities, short-term investment securities and investments in securities at March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Available-for-sale securities	¥147,366	¥171,417	\$1,225,297
Investments in unconsolidated subsidiaries and affiliates	84,527	8,200	702,817
	¥231,894	¥179,617	\$1,928,114

Available-for-sale securities included in operational investment securities, short-term investment securities and investments in securities at March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Equity securities	¥ 42,735	¥ 36,835	\$ 355,330
Debt securities	7,764	6,719	64,559
Other	96,866	127,862	805,408
	¥147,366	¥171,417	\$1,225,297

The carrying amounts and aggregate fair value of available-for-sale securities with determinable market value at March 31, 2015 and 2014 were as follows:

	Millions of yen			
	March 31, 2015			
	Cost or book value	Unrealized gain	Unrealized loss	Fair value
Equity securities	¥13,662	¥18,876	¥80	¥32,459
Debt securities	7,504	7	47	7,464
Other	26,542	3,877	—	30,419

	Millions of yen			
	March 31, 2014			
	Cost or book value	Unrealized gain	Unrealized loss	Fair value
Equity securities	¥15,353	¥13,591	¥124	¥28,820
Debt securities	6,411	8	0	6,419
Other	47,400	1,362	173	48,590

	Thousands of U.S. dollars			
	March 31, 2015			
	Cost or book value	Unrealized gain	Unrealized loss	Fair value
Equity securities	\$113,597	\$156,954	\$666	\$269,884
Debt securities	62,399	63	398	62,064
Other	220,689	32,237	—	252,927

Available-for-sale securities whose fair value was not readily determinable as of March 31, 2015 and 2014 were as follows:

	Carrying amount		Thousands of U.S. dollars
	Millions of yen		2015
	2015	2014	2015
Equity securities	¥10,276	¥ 8,014	\$ 85,445
Debt securities	299	299	2,494
Other	66,446	79,272	552,480

Proceeds from the sale of available-for-sale securities and the resulting realized gain or loss for the years ended March 31, 2015 and 2014 were summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Proceeds	¥10,231	¥8,281	\$85,071
Realized gain	3,503	2,437	29,134
Realized loss	—	—	—

The impairment losses on securities recognized for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Available-for-sale securities:			
Equity securities	¥ 885	¥ 0	\$ 7,358
Other	381	20	3,170
Investments in unconsolidated subsidiaries and affiliates:			
Unconsolidated subsidiaries	1	0	14
	¥1,268	¥21	\$10,543

7. Accumulated Depreciation for Property and Equipment

Accumulated depreciation for property and equipment at March 31, 2015 and 2014 was as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Leased assets	¥216,475	¥216,136	\$1,799,910
Other operating assets	677	187	5,632
Own assets in use	6,453	4,765	53,662

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

Short-term borrowings at March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars	Weighted-average interest rate
	2015	2014	2015	
Short-term loans from banks	¥ 470,167	¥ 415,220	\$ 3,909,270	0.67%
Commercial paper	754,600	739,300	6,274,216	0.13%
Payables under securitized lease receivables	57,800	63,398	480,585	0.19%
Total	¥1,282,567	¥1,217,919	\$10,664,072	

Long-term debt at March 31, 2015 and 2014 consisted of the following:

	Millions of yen		Thousands of U.S. dollars	Weighted-average interest rate
	2015	2014	2015	
Long-term loans, principally from banks	¥ 924,201	¥ 812,594	\$ 7,684,386	0.67%
Long-term payables under securitized lease receivables	3,784	2,637	31,467	0.23%
Bonds payable	209,302	178,521	1,740,274	0.43%
Total	1,137,288	993,754	9,456,128	
Less current portion	(373,272)	(354,007)	(3,103,619)	
	¥ 764,016	¥ 639,747	\$ 6,352,509	

The Companies have entered into overdraft contracts which provided the Companies with the overdraft facilities with 86 and 84 financial institutions as of March 31, 2015 and 2014 amounting to ¥1,174,322 million (\$9,764,054 thousand) and ¥1,027,136 million, respectively. The unused facilities maintained by the Companies as of March 31, 2015 and 2014 amounted to ¥700,732 million (\$5,826,331 thousand) and ¥606,464 million, respectively.

The aggregate annual maturity of long-term debt subsequent to March 31, 2015 is summarized as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2016	¥ 373,272	\$3,103,619
2017	259,996	2,161,770
2018	227,176	1,888,888
2019	84,352	701,359
2020	122,325	1,017,092
2021 and thereafter	70,165	583,398
	¥1,137,288	\$9,456,128

The Companies' assets pledged as collateral, principally for liabilities of ¥117,564 million (\$977,505 thousand), at March 31, 2015 were as follows:

	Millions of yen	Thousands of U.S. dollars
Cash on hand and in banks	¥ 142	\$ 1,188
Accounts receivable–installment sales	9,853	81,924
Accounts receivable–lease receivables and investment assets	97,657	811,986
Accounts receivable–loans	98	818
Advances for purchases of property for lease	730	6,072
Other current assets	6,278	52,206
Leased assets	19,103	158,841
Investments in securities	12	106
	¥133,877	\$1,113,144

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 instrument 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, 2015:

	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	¥ 1,439 (—)	¥ 109	¥ 109	\$ 11,970 (—)	\$ 909	\$ 909
Non-deliverable forward: Put/RMB	1,188 (618)	(618)	(618)	9,881 (5,139)	(5,143)	(5,143)
Forward exchange contracts: Put/RMB	10,126 (9,819)	(1,326)	(1,326)	84,198 (81,645)	(11,029)	(11,029)
Total	¥ 12,754 (10,437)	¥(1,835)	¥(1,835)	\$106,051 (86,784)	\$(15,263)	\$(15,263)

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, 2014:

	Millions of yen		
	Notional amount (over one year)	Fair value	Unrealized gain (loss)
Currency swap contracts: Receive/USD; Pay/SGD	¥ 1,257 (1,257)	¥ 35	¥ 35
Non-deliverable forward: Put/RMB	11,750 (1,188)	(4,143)	(4,143)
Call/MYR	22 (—)	0	0
Total	¥13,030 (2,446)	¥(4,107)	¥(4,107)

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, 2015:

	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	¥ 5,059 (3,002)	¥(1,268)	\$ 42,068 (24,966)	\$(10,544)
RMB	Accounts-receivable -installment sales	1,974 (1,494)	(303)	16,416 (12,429)	(2,523)
Call					
USD	Accounts-receivable -installment sales	11 (—)	0	96 (—)	0
EUR	Accounts-receivable -installment sales	42 (—)	4	351 (—)	36
SGD	Accounts-receivable -installment sales	3 (—)	(0)	27 (—)	(0)
Currency swap contracts:					
Receive/USD; Pay/MYR	Borrowings	4,955 (1,119)	475	41,200 (9,309)	3,956
Receive/USD; Pay/THB	Borrowings	2,524 (2,269)	(33)	20,986 (18,872)	(280)
Total		¥14,570 (7,887)	¥(1,125)	\$121,147 (65,578)	\$ (9,356)

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

	Millions of yen			Thousands of U.S. dollars	
	Hedged items	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	¥ 11,506 (10,532)	¥ (17)	\$ 95,668 (87,572)	\$ (146)
Short-cut method:					
Pay/fixed; Receive/floating	Borrowings Accounts-receivable-loans	51,519 (30,967)	(1,044)	428,367 (257,482)	(8,687)
Total		¥ 63,025 (41,499)	¥(1,062)	\$ 524,035 (345,055)	\$(8,833)

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, 2014:

	Millions of yen		
	Hedged items	Notional amount (over one year)	Fair value
Allocation method:			
Forward exchange contracts:			
Put			
USD	Accounts-receivable -installment sales	¥ 5,873 (3,278)	¥(767)
RMB	Accounts-receivable -installment sales	1,341 (1,148)	(48)
Call			
SGD	Accounts-receivable -installment sales	12 (—)	0
USD	Inventories	754 (—)	1
Currency options:			
Call			
USD	Inventories	1,049 (—)	0
Put			
USD	Inventories	1,049 (—)	1
Deferred hedges:			
Forward exchange contracts:			
Call			
USD	Proposed transaction	4,594 (—)	31
Total		¥14,676 (4,427)	¥(780)

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

	Millions of yen		
	Hedged items	Notional amount (over one year)	Fair value
Interest rate swap			
Deferral hedge accounting:			
Pay/fixed; Receive/floating	Borrowings	¥ 13,127 (10,271)	¥ (0)
Short-cut method:			
Pay/fixed; Receive/floating	Borrowings Accounts-receivable -loans	72,064 (43,973)	(798)
Total		¥ 85,191 (54,245)	¥(799)

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

10. Selling, General and Administrative Expenses

Major components of selling, general and administrative expenses for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Employees' salaries, wages and bonuses	¥28,112	¥19,690	\$233,744
Rent expenses	9,206	4,752	76,547
Provision for accrued bonuses for employees	2,799	2,234	23,279
Retirement benefit expenses	1,779	1,477	14,794
Provision for accrued bonuses for directors	173	150	1,444
Provision for directors' retirement benefits	97	53	812
Provision of allowance for doubtful accounts	(1,064)	(73)	(8,848)

11. System Integration Related Expenses and Office Transfer Related Expenses

Certain consolidated subsidiaries incurred system integration related expenses of ¥791 million (\$6,577 thousand) and office transfer related expenses of ¥330 million (\$2,747 thousand) in the fiscal year ended March 31, 2015. Office transfer related expenses include impairment loss in the amount of ¥150 million (\$1,252 thousand) and restoration expenses expected to be incurred upon the office transfer in the future in the amount of ¥126 million (\$1,048 thousand).

12. Other Comprehensive Income

The following table presents reclassification adjustments and tax effects allocated to each component of other comprehensive income for the years ended March 31, 2015 and 2014:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Net unrealized holding gains on securities			
Amount arising during the year	¥11,911	¥ 3,624	\$ 99,041
Reclassification adjustments for gains and losses included in net income	(3,506)	(2,213)	(29,151)
Amount before tax effect	8,405	1,411	69,890
Tax effect	(2,269)	(419)	(18,866)
Net unrealized holding gains on securities	6,136	992	51,024
Net unrealized gain (loss) on derivative instruments			
Amount arising during the year	(136)	(1,935)	(1,134)
Reclassification adjustments for gains and losses included in net income	1,281	442	10,656
Amount before tax effect	1,145	(1,493)	9,522
Tax effect	(396)	547	(3,300)
Net unrealized gain (loss) on derivative instruments	748	(945)	6,221
Translation adjustments			
Amount arising during the year	4,912	4,361	40,845
Remeasurements of defined benefit plans			
Amount arising during the year	599	—	4,987
Reclassification adjustments for gains and losses included in net income	428	—	3,560
Amount before tax effect	1,028	—	8,547
Tax effect	(360)	—	(3,000)
Remeasurements of defined benefit plans	667	—	5,547
Share of other comprehensive income of affiliates accounted for using equity method			
Amount arising during the year	605	202	5,032
Total other comprehensive income	¥13,069	¥ 4,611	\$108,670

13. Notes to the Consolidated Statement of Cash Flows

Cash and cash equivalents at March 31, 2015 and 2014 are reconciled to the accounts reported in the consolidated balance sheet as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Cash on hand and in banks	¥70,560	¥ 79,840	\$586,682
Time deposits with maturities of more than three months	(1,106)	(2,838)	(9,198)
Cash equivalents included in short-term investment securities	2,410	24,840	20,038
Receivables under resale agreements	—	13,999	—
Cash and cash equivalents	¥71,864	¥115,841	\$597,522

14. Income Taxes

The significant components of deferred tax assets and liabilities at March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Deferred tax assets:			
Net defined benefit liability	¥ 2,175	¥ 2,272	\$ 18,088
Allowance for doubtful accounts	2,012	3,201	16,736
Loss on devaluation of investments in securities	1,922	1,816	15,982
Tax adjustments for lease transactions	1,438	176	11,961
Unearned revenue	1,155	1,274	9,610
Depreciation	1,084	1,177	9,013
Accrued bonuses	950	978	7,906
Accrued expenses	738	—	6,142
Loss on valuation of own assets in use	415	443	3,454
Other	5,051	6,049	42,000
Subtotal	16,945	17,391	140,895
Less valuation allowance	(494)	(1,472)	(4,115)
Total deferred tax assets	16,450	15,919	136,780
Deferred tax liabilities:			
Net unrealized holding gain on securities	(7,322)	(5,030)	(60,883)
Depreciation of leased assets of foreign subsidiaries	(828)	(802)	(6,890)
Other	(3,406)	(5,271)	(28,327)
Total deferred tax liabilities	(11,558)	(11,104)	(96,101)
Net deferred tax assets	¥ 4,892	¥ 4,814	\$ 40,678

(Changes in Presentation)

“Unearned revenue” and “Depreciation of leased assets of foreign subsidiaries,” which were included in “Other” under deferred tax assets and deferred tax liabilities in the previous fiscal year, respectively, are presented separately for clarity. To reflect the changes in presentation, the information of the previous fiscal year has been reclassified.

As a result, “Other” under deferred tax assets in the amount of ¥7,323 million in the previous fiscal year has been reclassified as ¥1,274 million in “Unearned revenue” and ¥6,049 million in “Other”. In addition, “Other” under deferred tax liabilities in the amount of ¥6,073 million in the previous fiscal year has been reclassified as ¥802 million in “Depreciation of leased assets of foreign subsidiaries” and ¥5,271 million in “Other”.

Reconciliations between the effective statutory tax rates and the effective tax rates for the years ended March 31, 2015 and 2014 are not presented because the difference between the effective statutory tax rates and the effective tax rates is insignificant.

The “Act for Partial Amendment of the Income Tax Act, etc.” and the “Act for Partial Amendment of the Local Tax Act, etc.” were promulgated on March 31, 2015.

As a result, the effective statutory tax rate used to measure the Company's deferred tax assets and liabilities was changed from 35.6% to 33.1% and 32.3% for the temporary differences expected to be realized or settled in the fiscal year beginning April 1, 2015 and from the fiscal year beginning April 1, 2016, respectively. The effect of the announced reduction of the effective statutory tax rate was to decrease deferred tax assets after offsetting deferred tax liabilities by ¥234 million (\$1,946 thousand) and increase deferred income taxes by ¥1,000 million (\$8,315 thousand) and unrealized holding gains on securities by ¥766 million (\$6,376 thousand) as of and for the year ended March 31, 2015.

15. Retirement Benefit Plans

1. Overview of Retirement Benefit Plans Implemented by the Company

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

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

Some of the Company's consolidated subsidiaries use the simplified method in the calculation of their retirement benefit obligation.

2. Defined Benefit Plans (except the simplified method)

The changes in the retirement benefit obligation during the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance at the beginning of the year	¥17,036	¥ 9,729	\$141,656
Cumulative effects of changes in accounting policies	(76)	—	(636)
Restated balance	16,960	9,729	141,019
Service cost	846	610	7,040
Interest cost	264	241	2,198
Actuarial gain and loss	(46)	753	(384)
Retirement benefits paid	(516)	(492)	(4,297)
Past service cost	(11)	—	(94)
Adjustment from the simplified method to the principle method	607	—	5,050
Increase due to business combination	—	6,194	—
Balance at the end of the year	¥18,104	¥17,036	\$150,532

The changes in plan assets during the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance at the beginning of the year	¥11,793	¥ 8,388	\$ 98,058
Expected return on plan assets	220	172	1,837
Actuarial gain and loss	578	449	4,809
Contributions by the Company	731	681	6,085
Retirement benefits paid	(363)	(314)	(3,022)
Increase due to business combination	—	2,415	—
Balance at the end of the year	¥12,961	¥11,793	\$107,767

The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2015 and 2014 for the Company's and the consolidated subsidiaries' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Funded retirement benefit obligation	¥ 14,502	¥ 16,039	\$ 120,579
Plan assets at fair value	(12,961)	(11,793)	(107,767)
	1,540	4,246	12,812
Unfunded retirement benefit obligation	3,602	997	29,952
Net liability for retirement benefits in the balance sheet	5,143	5,243	42,765
Liability for retirement benefits	5,143	5,243	42,765
Net liability for retirement benefits in the balance sheet	¥ 5,143	¥ 5,243	\$ 42,765

The components of retirement benefit expense for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Service cost	¥ 846	¥ 610	\$ 7,040
Interest cost	264	241	2,198
Expected return on plan assets	(220)	(172)	(1,837)
Amortization of actuarial gain and loss	149	84	1,243
Amortization of prior service cost	242	252	2,016
Retirement benefit expense	¥1,282	¥1,015	\$10,662

The components of remeasurements of defined benefit plans included in other comprehensive income (before tax effect) for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Prior service cost	¥ 253	—	\$2,110
Actuarial gain and loss	774	—	6,437
Total	¥1,028	—	\$8,547

The components of remeasurements of defined benefit plans included in accumulated other comprehensive income (before tax effect) as of March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Unrecognized prior service cost	¥ (17)	¥236	\$ (147)
Unrecognized actuarial gain and loss	(137)	637	(1,140)
Total	¥(154)	¥873	\$(1,287)

The fair value of plan assets, by major category, as a percentage of total plan assets as of March 31, 2015 and 2014 are as follows:

	2015	2014
General accounts	52%	53%
Bonds	29%	28%
Stocks	17%	17%
Other	2%	2%
Total	100%	100%

The expected return on assets has been estimated based on the anticipated allocation to each asset class and the expected long-term returns on assets held in each category.

The assumptions used in accounting for the above plans are as follows:

	2015	2014
Discount rates	0.7%–1.7%	1.2%–1.7%
Expected rates of return on plan assets	1.5%–3.2%	1.5%–3.2%
Estimated rates of salary increases	1.1%–7.0%	1.3%–7.0%

3. Defined Benefit Plans (The simplified method)

The changes in liability for retirement benefits during the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Balance at the beginning of the year	¥1,926	¥ 506	\$16,019
Retirement benefits expense	289	183	2,409
Retirement benefits paid	(125)	(87)	(1,044)
Contributions by the Company	(7)	(20)	(64)
Change of scope of consolidation	501	—	4,165
Adjustment from the simplified method to the principle method	(607)	—	(5,050)
Increase due to business combination	—	1,344	—
Balance at the end of the year	¥1,976	¥1,926	\$16,434

The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheet as of March 31, 2015 and 2014 for the Company's and the consolidated subsidiaries' defined benefit plans:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Funded retirement benefit obligation	¥1,227	¥ 957	\$10,207
Plan assets at fair value	(368)	(277)	(3,062)
	859	680	7,145
Unfunded retirement benefit obligation	1,117	1,245	9,289
Net liability for retirement benefits in the balance sheet	1,976	1,926	16,434
Liability for retirement benefits	1,976	1,926	16,434
Net liability for retirement benefits in the balance sheet	¥1,976	¥1,926	\$16,434

Retirement benefit expenses for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Retirement benefit expense	¥289	¥183	\$2,409

4. Contributions to the defined contribution pension plan by the Company and its consolidated subsidiaries during the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Contributions to the defined contribution pension plan	¥177	¥110	\$1,476

5. The following summarizes the most recent funded status of the multi-employer welfare pension fund as of March 31, 2015 and 2014.

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Amount of plan assets	¥ 16,132	¥ 65,835	\$ 134,139
Benefit obligations under pension funding programs	(30,177)	(81,138)	(250,913)
Difference	¥(14,044)	¥(15,303)	\$(116,774)

The differences at March 31, 2015 and 2014 above consisted of prior service cost under pension funding programs of ¥13,874 million (\$115,364 thousand) and ¥11,954 million, respectively.

For the years ended March 31, 2015 and 2014, the ratios of the Company's contributions to the multi-employer welfare pension fund against total contributions are 6.07% and 5.92%, respectively.

16. Lease Transactions

(Lessors' accounting)

Finance leases that do not transfer ownership to lessee are capitalized as lease investment assets. Information relating to finance leases of the Companies at March 31, 2015 and 2014 is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Future lease receivables	¥1,200,469	¥1,216,268	\$9,981,450
Estimated residual value	41,821	42,507	347,728
Future interest income	(66,994)	(70,787)	(557,035)
	¥1,175,295	¥1,187,988	\$9,772,143

The aggregate annual maturity of finance lease receivables that transfer ownership to lessees, subsequent to March 31, 2015 and 2014, is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Due within one year	¥102,898	¥ 93,014	\$ 855,561
Due after one to two years	82,051	67,284	682,231
Due after two to three years	67,842	47,976	564,082
Due after three to four years	48,627	41,586	404,318
Due after four to five years	14,648	28,299	121,793
Due after five years	18,455	15,131	153,451
	¥334,523	¥293,292	\$2,781,438

The aggregate annual maturity of finance lease receivables that do not transfer ownership to lessees, subsequent to March 31, 2015 and 2014, is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Due within one year	¥ 394,811	¥ 395,277	\$3,282,709
Due after one to two years	298,860	305,194	2,484,911
Due after two to three years	220,462	222,054	1,833,067
Due after three to four years	148,586	147,562	1,235,438
Due after four to five years	72,802	84,557	605,326
Due after five years	64,945	61,621	539,997
	¥1,200,469	¥1,216,268	\$9,981,450

As for the lease accounting treatment for finance lease transactions that do not transfer ownership to 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 ¥2,374 million for the year ended March 31, 2014 compared with the amount calculated on 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 lease commencement date.

In addition, the related information for the year ended March 31, 2015 is omitted because the amount is insignificant.

The future minimum lease income subsequent to March 31, 2015 and 2014 under non-cancellable operating leases is summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Due within one year	¥ 89,972	¥ 76,698	\$ 748,090
Due after one year	199,456	155,785	1,658,406
	¥289,429	¥232,484	\$2,406,496

17. Commitments and Contingent Liabilities

The Companies' contingent liabilities at March 31, 2015 and 2014 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
As a guarantor of indebtedness of:			
Loans and others	¥50,980	¥76,952	\$423,886
Asset purchases	3,150	3,035	26,194
Employees housing loans	153	175	1,274
	¥54,284	¥80,163	\$451,355

The Companies, as lenders, have loan commitment agreements as of March 31, 2015 and 2014 amounting to ¥45,158 million (\$375,476 thousand) and ¥51,363 million, respectively. The loans provided under these credit facilities as of March 31, 2015 and 2014 amounted to ¥8,258 million (\$68,667 thousand) and ¥6,750 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.

18. Estimated Fair Value of Financial Instruments

The following table presents the carrying value and estimated fair value of financial instruments at March 31, 2015 and 2014. The following table does not include financial instruments for which it is extremely difficult to determine the fair value.

As of March 31, 2015	Millions of yen		
	Carrying value	Estimated fair value	Difference
Assets			
(1) Cash on hand and in banks	¥ 70,560	¥ 70,560	¥ —
(2) Accounts receivable-installment sales	252,946		
Deferred profit on installment sales	(13,555)		
	239,390		
Allowance for doubtful accounts ^(*)	(1,034)		
	238,356	240,545	2,189
(3) Accounts receivable-lease receivables and investment assets	1,485,017		
Estimated residual value ^(*)	(41,821)		
	1,443,196		
Allowance for doubtful accounts ^(*)	(1,382)		
	1,441,814	1,480,145	38,330
(4) Accounts receivable-loans	535,842		
Allowance for doubtful accounts ^(*)	(1,370)		
	534,471	546,262	11,790
(5) Operational investment securities	39,343	39,343	—
(6) Short-term investment securities and investments in securities	30,999	30,999	—
(7) Claims provable in bankruptcy or rehabilitation	2,239		
Allowance for doubtful accounts ^(*)	(1,372)		
	867	867	—
Total assets	¥2,356,412	¥2,408,723	¥52,310
Liabilities			
(1) Notes and accounts payable-trade	202,880	202,880	—
(2) Short-term loans from banks	470,167	470,167	—
(3) Commercial paper	754,600	754,600	—
(4) Payables under securitized lease receivables	57,800	57,800	—
(5) Bonds payable	209,302	207,689	1,613
(6) Long-term loans, principally from banks	924,201	914,205	9,996
(7) Long-term payables under securitized lease receivables	3,784	3,833	(49)
(8) Lease obligations	18,634	18,364	270
Total liabilities	¥2,641,371	¥2,629,540	¥11,830
Derivatives			
Hedge accounting not applied	(1,835)	(1,835)	—
Hedge accounting applied	(17)	(2,187)	(2,170)
Total derivatives	¥ (1,853)	¥ (4,023)	¥ (2,170)

As of March 31, 2014	Millions of yen		
	Carrying value	Estimated fair value	Difference
Assets			
(1) Cash on hand and in banks	¥ 79,840	¥ 79,840	¥ —
(2) Accounts receivable-installment sales	225,937		
Deferred profit on installment sales	(12,217)		
	213,719		
Allowance for doubtful accounts ^(*)	(348)		
	213,371	214,669	1,297
(3) Accounts receivable-lease receivables and investment assets	1,461,053		
Estimated residual value ^(*)	(42,507)		
	1,418,546		
Allowance for doubtful accounts ^(*)	(1,681)		
	1,416,865	1,450,523	33,658
(4) Accounts receivable-loans	474,155		
Allowance for doubtful accounts ^(*)	(1,358)		
	472,797	480,168	7,371
(5) Operational investment securities	33,517	33,517	—
(6) Short-term investment securities and investments in securities	50,313	50,313	—
(7) Claims provable in bankruptcy or rehabilitation	4,305		
Allowance for doubtful accounts ^(*)	(2,929)		
	1,376	1,376	—
Total assets	¥2,268,081	¥2,310,409	¥42,327
Liabilities			
(1) Notes and accounts payable-trade	222,505	222,505	—
(2) Short-term loans from banks	415,220	415,220	—
(3) Commercial paper	739,300	739,300	—
(4) Payables under securitized lease receivables	63,398	63,398	—
(5) Bonds payable	178,521	177,827	694
(6) Long-term loans, principally from banks	812,594	807,993	4,600
(7) Long-term payables under securitized lease receivables	2,637	2,676	(38)
(8) Lease obligations	16,548	16,170	378
Total liabilities	¥2,450,726	¥2,445,092	¥ 5,634
Derivatives			
Hedge accounting not applied	(4,107)	(4,107)	—
Hedge accounting applied	30	(1,579)	(1,610)
Total derivatives	¥ (4,077)	¥ (5,687)	¥ (1,610)

As of March 31, 2015	Thousands of U.S. dollars		
	Carrying value	Estimated fair value	Difference
Assets			
(1) Cash on hand and in banks	\$ 586,682	\$ 586,682	\$ —
(2) Accounts receivable-installment sales	2,103,152		
Deferred profit on installment sales	(112,711)		
	1,990,441		
Allowance for doubtful accounts ^(*)	(8,600)		
	1,981,840	2,000,044	18,203
(3) Accounts receivable-lease receivables and investment assets	12,347,368		
Estimated residual value ^(*)	(347,728)		
	11,999,639		
Allowance for doubtful accounts ^(*)	(11,491)		
	11,988,148	12,306,851	318,703
(4) Accounts receivable-loans	4,455,327		
Allowance for doubtful accounts ^(*)	(11,396)		
	4,443,930	4,541,966	98,036
(5) Operational investment securities	327,127	327,127	—
(6) Short-term investment securities and investments in securities	257,749	257,749	—
(7) Claims provable in bankruptcy or rehabilitation	18,623		
Allowance for doubtful accounts ^(*)	(11,411)		
	7,211	7,211	—
Total assets	\$19,592,690	\$20,027,633	\$434,942
Liabilities			
(1) Notes and accounts payable-trade	1,686,878	1,686,878	—
(2) Short-term loans from banks	3,909,270	3,909,270	—
(3) Commercial paper	6,274,216	6,274,216	—
(4) Payables under securitized lease receivables	480,585	480,585	—
(5) Bonds payable	1,740,274	1,726,857	13,417
(6) Long-term loans, principally from banks	7,684,386	7,601,272	83,113
(7) Long-term payables under securitized lease receivables	31,467	31,876	(408)
(8) Lease obligations	154,938	152,689	2,248
Total liabilities	\$21,962,017	\$21,863,647	\$ 98,370
Derivatives			
Hedge accounting not applied	(15,263)	(15,263)	—
Hedge accounting applied	(146)	(18,189)	(18,043)
Total derivatives	\$ (15,409)	\$ (33,453)	\$ (18,043)

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

^(*) Estimated residual values included in 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 values 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

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Unlisted shares	¥ 41,569	¥16,214	\$ 345,636
Bonds	299	299	2,494
Trust beneficiary rights	5,429	6,263	45,142
Preferred equity investment securities	—	4,017	—
Investments in limited partnerships, etc.	114,252	68,990	949,964
Total	¥161,551	¥95,786	\$1,343,237

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 (5) Operational investment securities and (6) Short-term investment securities and investments in securities.

(Note 3) Redemption schedule for receivables and marketable securities with maturities subsequent to March 31, 2015 and 2014

	Millions of yen					
	As of March 31, 2015					
	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	¥ 70,560	¥ —	¥ —	¥ —	¥ —	¥ —
Accounts receivable–installment sales	88,687	65,381	44,954	27,604	12,711	13,606
Accounts receivable–loans	222,973	104,351	58,469	49,843	37,020	63,182
Operational investment securities:						
Available-for-sale securities with maturities						
(1) Bonds	112	446	1,212	1,034	—	5,000
(2) Other	5,868	482	1,809	2,557	4,752	45,340
Short-term investment securities and investments in securities:						
Available-for-sale securities with maturities						
(1) Bonds	—	—	—	—	—	—
(2) Other	—	—	—	—	—	—
Total	¥388,202	¥170,662	¥106,445	¥81,040	¥54,485	¥127,128

	Millions of yen					
	As of March 31, 2014					
	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	¥ 79,840	¥ —	¥ —	¥ —	¥ —	¥ —
Accounts receivable–installment sales	78,194	59,159	40,756	24,933	12,876	10,015
Accounts receivable–loans	189,410	84,143	87,488	31,319	34,161	47,631
Operational investment securities:						
Available-for-sale securities with maturities						
(1) Bonds	3,067	346	211	12	1,055	2,022
(2) Other	5,713	0	755	3,338	2,308	32,780

Short-term investment securities and investments in securities:

Available-for-sale securities with maturities						
(1) Bonds	—	—	—	—	—	—
(2) Other	—	—	—	—	—	50
Total	¥356,225	¥143,650	¥129,212	¥59,603	¥50,402	¥92,500

	Thousands of U.S. dollars					
	As of March 31, 2015					
	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	\$ 586,682	\$ —	\$ —	\$ —	\$ —	\$ —
Accounts receivable–installment sales	737,402	543,618	373,781	229,522	105,694	113,131
Accounts receivable–loans	1,853,944	867,644	486,155	414,432	307,814	525,336
Operational investment securities:						
Available-for-sale securities with maturities						
(1) Bonds	931	3,713	10,077	8,599	—	41,573
(2) Other	48,795	4,015	15,042	21,263	39,518	376,986
Short-term investment securities and investments in securities:						
Available-for-sale securities with maturities						
(1) Bonds	—	—	—	—	—	—
(2) Other	—	—	—	—	—	—
Total	\$3,227,756	\$1,418,991	\$885,057	\$673,817	\$453,027	\$1,057,028

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

19. Dividends

(1) Dividends paid to shareholders

For the year ended March 31, 2015

(Date of approval)	Type of shares	Amount	Amount per share		
		Millions of yen Thousands of U.S. dollars	Yen U.S. dollars	Shareholders' cut-off date	Effective date
Resolution approved by					
(June 19, 2014)	Common stock	¥2,750 \$22,872	¥26.0 \$0.21	March 31, 2014	June 20, 2014
(November 4, 2014)	Common stock	¥3,386 \$28,154	¥32.0 \$0.26	September 30, 2014	December 10, 2014

For the year ended March 31, 2014

(Date of approval) Resolution approved by	Type of shares	Amount	Amount per share		
		Millions of yen	Yen	Shareholders' cut-off date	Effective date
(June 20, 2013) Annual general meeting of the shareholders	Common stock	¥2,550	¥24.0	March 31, 2013	June 21, 2013
(November 5, 2013) Meeting of the Board of Directors	Common stock	¥2,756	¥26.0	September 30, 2013	December 10, 2013

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

(Date of approval) Resolution approved by	Type of shares (Paid from)	Amount	Amount per share		
		Millions of yen Thousands of U.S. dollars	Yen U.S. dollars	Shareholders' cut-off date	Effective date
(June 25, 2015) Annual general meeting of the shareholders	Common stock (Retained earnings)	¥3,481 \$28,950	¥33.0 \$0.27	March 31, 2015	June 26, 2015

20. 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.

21. Stock Based Compensation

The Company has stock option plan for certain directors, executive officers and eligible employees. Under the plans, the rights to purchase the common shares of the Company are granted at an exercise price of ¥1 per share. The contractual term of the stock options is 30 years. The stock option holders may exercise their stock acquisition rights only in a lump sum during the ten-day period starting one year and a day after leaving their position as director, corporate auditor, executive officer or employee of the Company.

The stock options outstanding as of March 31, 2015 and 2014 were as follows:

	2013 stock option	2014 stock option	2015 stock option
Persons granted	7 directors 22 executive officers	7 directors 20 executive officers	7 directors 19 executive officers 6 eligible employees
Type and number of shares to be issued upon the exercise of the share subscription rights	Common stock 113,700	Common stock 59,300	Common stock 76,000
Date of grant	October 15, 2012	September 24, 2013	September 29, 2014
The fair value per stock at the grant date	¥1,306 (\$13.90)	¥3,038 (\$29.52)	¥2,716 (\$22.58)

The total stock-based compensation costs recognized for the years ended March 31, 2015 and 2014 were ¥206 million (\$1,716 thousand) and ¥180 million, respectively.

The fair value of the 2015 stock option is estimated using the Black-Scholes option pricing model with the assumptions noted in the following table.

	2015 stock option
Expected volatility	30.3%
Expected holding period	4.8 years
Expected dividend	¥56 per share
Risk free interest rate	0.17%

The volatilities of stock price are based on the historical volatility of the Company's stock for the period equal to the option's estimated remaining outstanding period from the grant date. The estimated remaining outstanding period is based on the average term and average age as of retirement. The estimated dividends are based on the actual per share dividends of ¥56 (\$0.46) made in the preceding year for the year ended March 31, 2015. The risk free interest rate is based on the yield of Japanese government bonds having a remaining life equal to the option's estimated remaining outstanding period. The stock option activity for the fiscal years ended March 31, 2015 and 2014 was as follows:

	Number of shares		
Stock option activity	2013 stock option	2014 stock option	2015 stock option
Share subscription rights which are not yet vested			
Outstanding as of March 31, 2014	—	—	—
Granted	—	—	76,000
Forfeited	—	—	—
Vested	—	—	76,000
Outstanding as of March 31, 2015	—	—	—
Share subscription rights which have already been vested			
Outstanding as of March 31, 2014	101,600	59,300	—
Vested	—	—	76,000
Exercised	9,100	5,100	—
Forfeited	—	—	—
Outstanding as of March 31, 2015	92,500	54,200	76,000
Exercise price (yen)	1	1	1
Weighted average exercise price (yen)	2,981	2,980	—
Weighted average fair value per stock at the grant date (yen)	1,306	3,038	2,716
Exercise price (U.S. dollars)	0	0	0
Weighted average exercise price (U.S. dollars)	24.78	24.77	—
Weighted average fair value per stock at the grant date (U.S. dollars)	10.85	25.25	22.58

22. Segment Information

1. Overview of reportable segments

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

The Company is mainly engaged in leasing business and installment sales business as well as financing service business relating to the main businesses. Therefore, the “Leasing and Installment Sales Business,” the “Financing Business” and the “Other Businesses” constitute the Company's reportable segments.

The “Leasing and Installment Sales Business” consists of leasing and installment sales of IT-related equipment and office equipment, industrial machinery, commercial and service equipment, etc. (including sales of assets thereof pertaining to maturity and/or cancellation before maturity of leasing transactions). The “Financing Business” consists of money-lending business and investment business such as capital investments in operational investment securities and silent partnerships. The “Other Businesses” consists of commission transactions, solar power sales business, and other businesses.

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, 2015			
	Leasing and installment sales	Finance	Other	Total
Revenues, profit and assets by reportable segments				
Revenue from customers	¥ 840,590	¥ 22,921	¥19,464	¥ 882,976
Inter-segment revenue	—	—	740	740
Total revenue	840,590	22,921	20,205	883,717
Segment profit	¥ 46,439	¥ 13,993	¥ 4,800	¥ 65,233
Segment assets	¥2,276,399	¥723,028	¥22,749	¥3,022,177
Other items				
Depreciation	¥ 70,832	—	¥ 486	¥ 71,318
Increase in property and equipment and intangible assets	¥ 177,131	—	¥ 5,739	¥ 182,870

	Millions of yen			
	Year ended March 31, 2014			
	Leasing and installment sales	Finance	Other	Total
Revenues, profit and assets by reportable segments				
Revenue from customers	¥ 794,252	¥ 19,938	¥14,368	¥ 828,558
Inter-segment revenue	—	—	677	677
Total revenue	794,252	19,938	15,046	829,236
Segment profit	¥ 43,550	¥ 11,457	¥ 3,604	¥ 58,612
Segment assets	¥2,094,524	¥612,768	¥17,250	¥2,724,544
Other items				
Depreciation	¥ 49,859	—	¥ 187	¥ 50,047
Increase in property and equipment and intangible assets	¥ 111,539	—	¥ 6,958	¥ 118,497

	Thousands of U.S. dollars			
	Year ended March 31, 2015			
	Leasing and installment sales	Finance	Other	Total
Revenues, profit and assets by reportable segments				
Revenue from customers	\$ 6,989,196	\$ 190,582	\$161,843	\$ 7,341,621
Inter-segment revenue	—	—	6,156	6,156
Total revenue	6,989,196	190,582	167,999	7,347,778
Segment profit	\$ 386,127	\$ 116,348	\$ 39,916	\$ 542,392
Segment assets	\$18,927,408	\$6,011,711	\$189,151	\$25,128,271
Other items				
Depreciation	\$ 588,942	—	\$ 4,042	\$ 592,985
Increase in property and equipment and intangible assets	\$ 1,472,779	—	\$ 47,717	\$ 1,520,497

4. Difference between the total of reporting segments and the amounts on the consolidated financial statements and details for the difference (The matter for the reconciliation of the difference)

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Revenues			
Reportable segment total	¥883,717	¥829,236	\$7,347,778
Inter-segment eliminations	(740)	(677)	(6,156)
Revenues on consolidated statement of income	¥882,976	¥828,558	\$7,341,621

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Profit			
Reportable segment total	¥65,233	¥58,612	\$542,392
Inter-segment eliminations	(740)	(677)	(6,156)
General and administrative expenses not attributable to reporting segment	(6,050)	(6,517)	(50,304)
Operating income on consolidated statement of income	¥58,443	¥51,416	\$485,931

	Millions of yen		Thousands of U.S. dollars
	2015	2014	2015
Assets			
Reportable segment total	¥3,022,177	¥2,724,544	\$25,128,271
Assets not attributable to reporting segment	129,694	160,229	1,078,359
Total assets on consolidated balance sheet	¥3,151,871	¥2,884,773	\$26,206,630

	Millions of yen					
	Reportable segment total		Adjustments		Consolidated	
	2015	2014	2015	2014	2015	2014
Other items						
Depreciation	¥ 71,318	¥ 50,047	¥3,745	¥3,105	¥ 75,063	¥ 53,153
Increase in property and equipment and intangible assets	182,870	118,497	3,596	2,864	186,466	121,361

	Thousands of U.S. dollars		
	Reportable segment total	Adjustments	Consolidated
	2015		
Other items			
Depreciation	\$ 592,985	\$31,140	\$ 624,126
Increase in property and equipment and intangible assets	1,520,497	29,902	1,550,400

Information by products and services

	Millions of yen					
	March 31, 2015					
	Finance lease	Operating lease	Installment sales	Finance	Other	Total
Revenue from customers	¥573,116	¥185,633	¥81,841	¥22,921	¥19,464	¥882,976

	Millions of yen					
	March 31, 2014					
	Finance lease	Operating lease	Installment sales	Finance	Other	Total
Revenue from customers	¥580,667	¥126,816	¥86,768	¥19,938	¥14,368	¥828,558

	Thousands of U.S. dollars					
	March 31, 2015					
	Finance lease	Operating lease	Installment sales	Finance	Other	Total
Revenue from customers	\$4,765,245	\$1,543,473	\$680,478	\$190,582	\$161,843	\$7,341,621

Geographical information

(a) Revenues

Information by geographic segment is not disclosed since revenues to third parties located in Japan for the years ended March 31, 2015 and 2014 represented more than 90% of the consolidated revenues for the respective years.

(b) Property and equipment

Information by geographic segment is summarized as follows:

	Millions of yen				
	March 31, 2015				
	Japan	Europe and North America	Asia	Central and South America	Total
	¥319,774	¥84,553	¥28,530	¥23,405	¥459,322

Thousands of U.S. dollars					
March 31, 2015					
Japan	Europe and North America		Asia	Central and South America	Total
	Ireland	Others			
\$2,658,807	\$703,029	\$237,224	\$25,430	\$194,604	\$3,819,097

Information for the year ended March 31, 2014 is not disclosed since the amount of property and equipment located in Japan represented more than 90% of the consolidated property and equipment.

Information by main customer

Information by main customer for the years ended March 31, 2015 and 2014 is not disclosed due to no third party customer to which revenues volume consisted 10% or more of the consolidated revenues.

23. Amounts Per Share

	Yen		U.S. dollars
	2015	2014	2015
Net assets	¥2,776.37	¥2,386.02	\$23.08
Net income:			
Basic	¥ 322.84	¥ 311.64	\$ 2.68
Diluted	¥ 322.28	¥ 311.25	\$ 2.68

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.

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.

Diluted net income per share is computed based on the net income available for distribution to shareholders and the weighted-average number of shares of common stock outstanding during the period after giving effect to the dilutive potential of shares of common stock to be issued upon the exercise of warrants and stock subscription rights.

The bases for calculation are as follows:

	Thousands of shares	
	2015	2014
Weighted average number of shares of common stock	105,723	106,055
Increase in shares of common stock		
Exercise of share subscription rights	185	132

24. Subsequent Events

The Company issued the eleventh unsecured bond and the twelfth unsecured bond (with inter-bond pari passu clause) on April 22, 2015. The details are as follows:

	The eleventh	The twelfth
Total amount issued	¥10,000 million (\$83,146 thousand)	¥15,000 million (\$124,719 thousand)
Issuance price	¥100 (\$0.83) per ¥100 (\$0.83) of face value	
Interest rate	0.140% per annum	0.307% per annum
Redemption price	¥100 (\$0.83) per ¥100 (\$0.83) of face value	
Redemption date	April 20, 2018	April 22, 2020
Redemption method	Lump-sum redemption at maturity	
Payment date	April 22, 2015	
Collateral	This bond is without any collateral or guaranty and there are no assets reserved for this debenture.	
Application of the fund	For the purchase of leasing property	



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Fax: +81 3 3503 1197
www.shinnihon.or.jp

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, 2015, 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 its consolidated subsidiaries as at March 31, 2015, 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 Shin Nihon LLC

June 24, 2015
Tokyo, Japan

A member firm of Ernst & Young Global Limited

Main Subsidiaries and Affiliates

(As of July 31, 2015)

Note: Voting shares percentages are rounded to the nearest whole number.

Consolidated Subsidiaries (Domestic)
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Consolidated Subsidiaries (Overseas)
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Equity-Method Affiliates
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*GA Telesis does not have a direct equivalent to paid-in capital because it is a limited liability company under U.S. law.

Stock Information / Bond Ratings

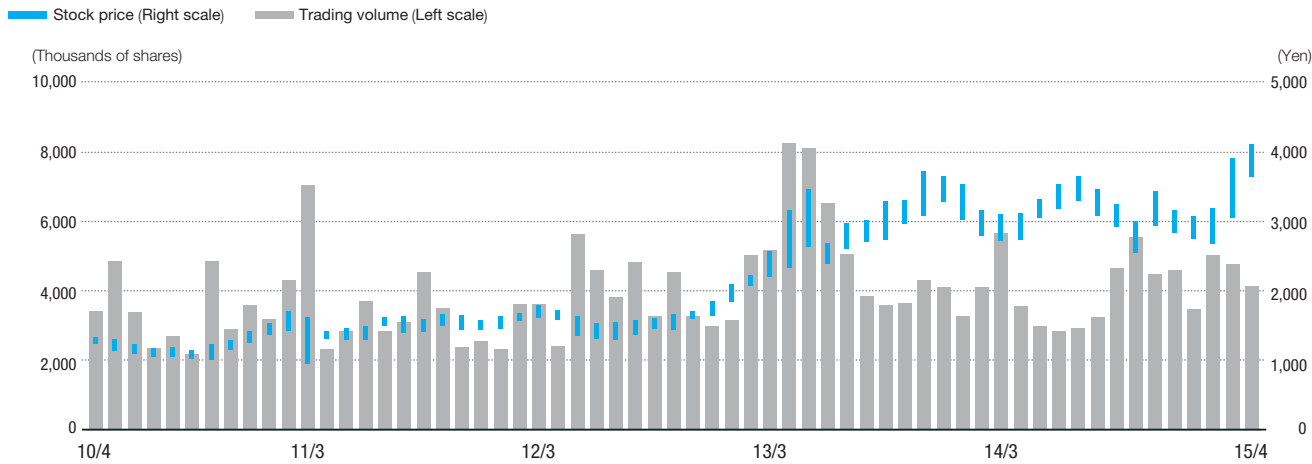
(As of March 31, 2015)

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

Major Shareholders

Shareholders	Number of shares held (thousands)	Percentage of shares outstanding (%)
ITOCHU Corporation	26,656	25.0
Nippon Tochi-Tatemono Co., Ltd.	15,369	14.4
KSO Co., Ltd.	9,963	9.3
Mizuho Bank, Ltd.	4,688	4.4
Japan Trustee Services Bank, Ltd. (Trust accounts)	3,569	3.3
Seiwa Sogo Tatemono Co., Ltd.	2,972	2.8
Nippon Life Insurance Company	2,228	2.1
The Master Trust Bank of Japan, Ltd. (Trust accounts)	1,919	1.8
Mizuho Trust & Banking Co., Ltd. (Retirement Allowance Trust, Orient Corporation Account Trust & Custody Services Bank, Ltd. re-entrusted)	1,900	1.8
Yushu Tatemono Co., Ltd.	1,716	1.6

Stock Price and Trading Volume



Bond Ratings (As of February 5, 2015)

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

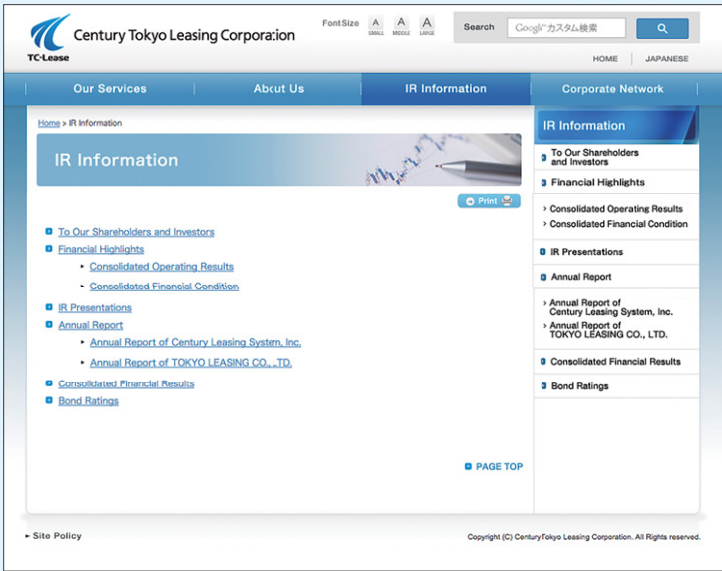
Credit Rating Agency	Japan Credit Rating Agency, Ltd. (JCR)	Rating and Investment Information, Inc. (R&I)
Long-term	(Long-Term Issuer Rating) Rating: A+ Outlook: Stable	(Issuer Rating) Rating: A Outlook: Stable
	(Preliminary Rating for Bonds Registered for Issuance) Rating: A+ Expected Issue Amount: ¥200 billion Issue Period: Two Years Beginning February 14, 2014	(Preliminary Rating for Bonds Registered for Issuance) Rating: A Expected Issue Amount: ¥200 billion Issue Period: Two Years Beginning February 14, 2014
	(Euro Medium-Term Note Program) Rating: A+ Maximum Outstanding Amount: Equivalent of US\$2 billion	(Euro Medium-Term Note Program) Rating: A Maximum Outstanding Amount: Equivalent of US\$2 billion
Short-term	(Commercial Paper) Rating: J-1 Maximum Outstanding Amount: ¥650 billion	(Commercial Paper) Rating: a-1 Maximum Outstanding Amount: ¥650 billion

Note: Each bond 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
Founded	July 1, 1969
Paid-in Capital	¥34,231 million
Company Representative	Chairman & Co-CEO Toshihito Tamba President & CEO Shunichi Asada
Number of Employees	4,113 (1,023 on a non-consolidated basis) (as of March 31, 2015)
Closing of Accounts	March 31
Main Banks	Mizuho Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited; The Norinchukin Bank; Mitsubishi UFJ Trust and Banking Corporation; Mizuho Trust & Banking Co., Ltd.
Independent Auditor	Ernst & Young ShinNihon LLC
Network	Domestic: Head Office, Sapporo, Sendai, Saitama, Tachikawa, Yokohama, Shizuoka, Nagoya, Kanazawa, Kyoto, Osaka, Kobe, Okayama, Hiroshima, Fukuoka Overseas: We operate in 37 countries with a focus on East Asia and ASEAN (as of April 1, 2015).

IR Web Site



<http://www.ctl.co.jp/english/ir/>

For Further Information:
Investor Relations Office
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