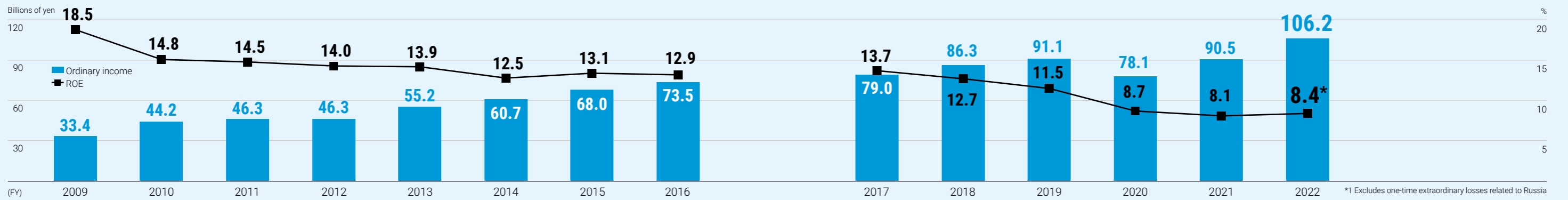


Review of Past Medium-Term Management Plans

Cost of Shareholders' Equity Tokyo Century calculates cost of shareholders' equity based on factors including the expected rate of return. As of fiscal 2022, the Company's cost of shareholders' equity was estimated to be around 10%.



Fourth Medium-Term Management Plan		New Fourth Medium-Term Management Plan	
Basic Policies	Reasons for Launch of New Fourth Medium-Term Management Plan	Basic Strategies	Review
<ol style="list-style-type: none"> Establish a global platform for stable business, including viable businesses Build a solid, high-quality business portfolio Build a management base supporting the improvement of corporate value 	<p>Capital and Business Alliance with NTT Capital participation in Tokyo Century by NTT (10% equity holding) Plan for expansion in growth fields through collaboration combining respective strengths</p> <p>Consolidation of U.S. Aircraft Leasing Company Aviation Capital Group Goal of bolstering aircraft leasing assets in light of aircraft market growth; synergies anticipated with Tokyo Century's aviation business</p>	<p>Expand business domains</p> <p>Strengthen strategic partnerships</p> <p>Emphasize asset efficiency in business portfolio management</p>	<p>➡ Expansion of co-creative projects with the NTT Group Growth of joint venture NTT TC Leasing Co., Ltd., investment in data center businesses, establishment of joint renewable energy fund, etc.</p> <p>➡ Expansion of scope of collaborative businesses with partners Expansion of scope of business to include storage batteries and circular economy together with ITOCHU Corporation, JFE Engineering Corporation, etc.</p> <p>➡ Strengthening of relationships by accommodating customer needs Promotion of co-creative projects in various operating segments that address partner needs, fostering of trust, and reinforcement of project sourcing capabilities</p> <p>➡ Investment in start-up companies boasting innovative technologies Preparation for creation of new businesses through investment in start-up companies with proprietary technologies in digital and mobility areas</p> <p>Improvement of asset efficiency centered on Equipment Leasing segment via growth of high-ROA businesses through joint ventures (equity-method affiliates) with partner companies</p>

Management Targets of New Fourth Medium-Term Management Plan (Concluded in Fiscal 2022)

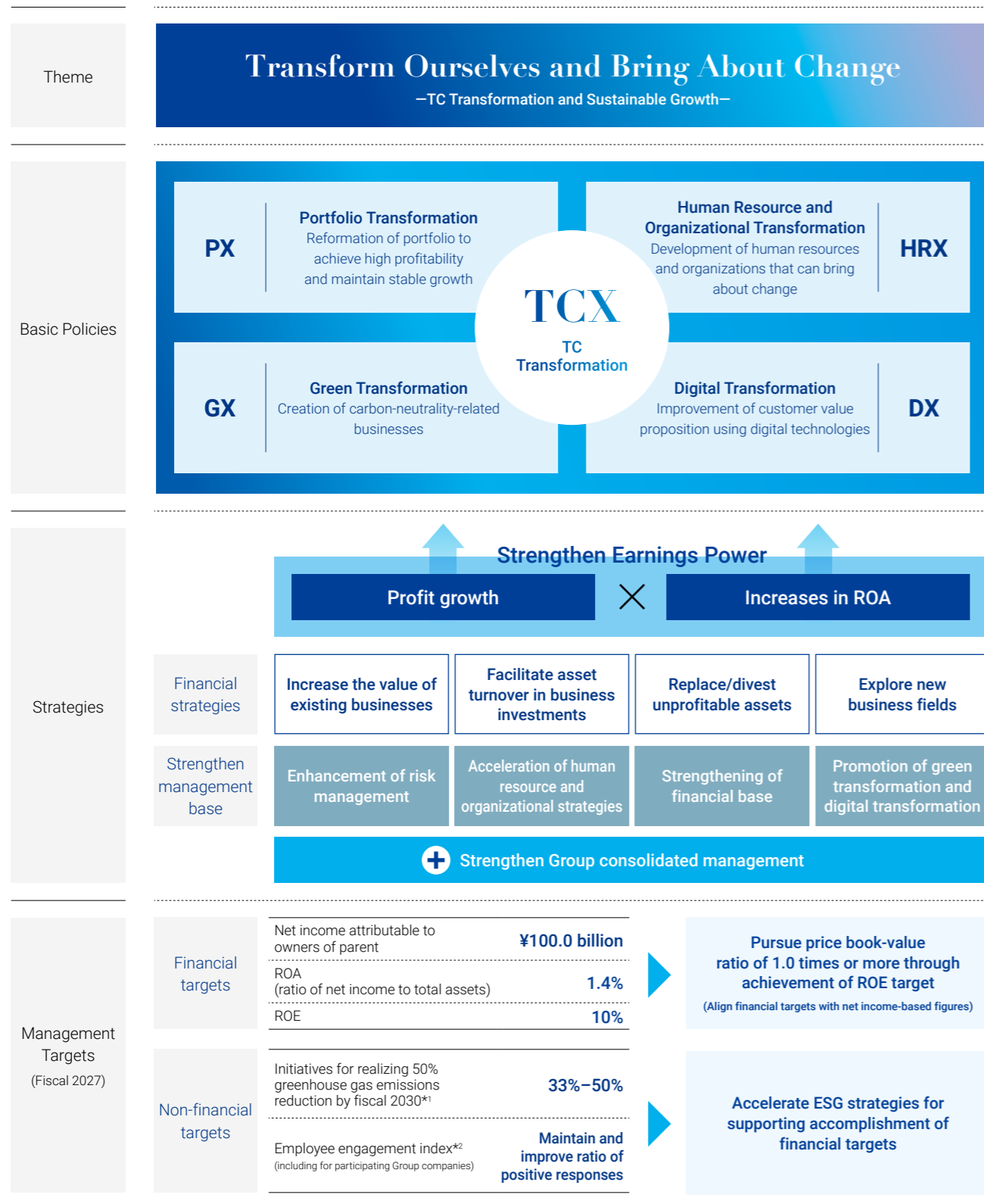
KPIs	Targets	Results	Reasons for Failure to Accomplish Targets
Ordinary income	¥130.0 billion	¥106.2 billion	● Unaccomplished 1. Diminished earnings power Diminishment of earnings power centered on aviation business due to significant impacts of COVID-19 pandemic and Russia's invasion of Ukraine
Net income attributable to owners of parent	¥80.0 billion	¥4.8 billion	● Unaccomplished
Shareholders' equity ratio	12%	12.5%	✔ Accomplished 2. Impairment losses recorded due to operating environment deterioration Recording of extraordinary losses on aircraft associated with Russian airlines and of valuation losses on operational investment securities due to sudden fluctuations in the stock market
ROE	12%	0.7%	● Unaccomplished

Challenges and Responses	Responses
Challenges and Responses	➡ Recovery of ROE to double digits Enhancement of earnings power through portfolio reforms and heightening of profits through growth investments
	➡ Exploration of new growth fields and creation of new business models Pursuit of rapid ROA growth through shift to more profitable business models via expansion of business domain
	➡ Reinforcement of management foundation supporting business model 1. Improvement of employee engagement through entrenchment of corporate culture supporting employee ambitions 2. Recruitment and development of highly specialized human resources 3. Acceleration of digital transformation strategies for improving customer value proposition and operational efficiency

Medium-Term Management Plan 2027 (Fiscal 2023–Fiscal 2027)

Vision for Five Years from Now

The Tokyo Century Group seeks to enhance its strengths and go beyond simply responding to change in order to transform itself to become a corporate group that brings about change.

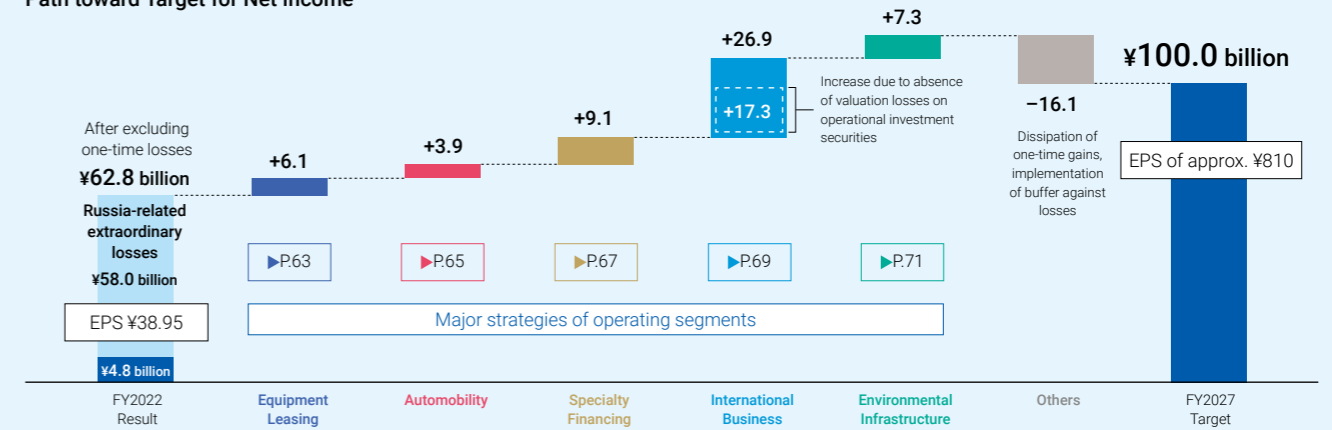


*1 Target of a 50% reduction in greenhouse gas emissions by fiscal 2030 from base year of fiscal 2021 announced
*2 Calculated based on number of positive responses to multiple-choice questions in the employee awareness survey

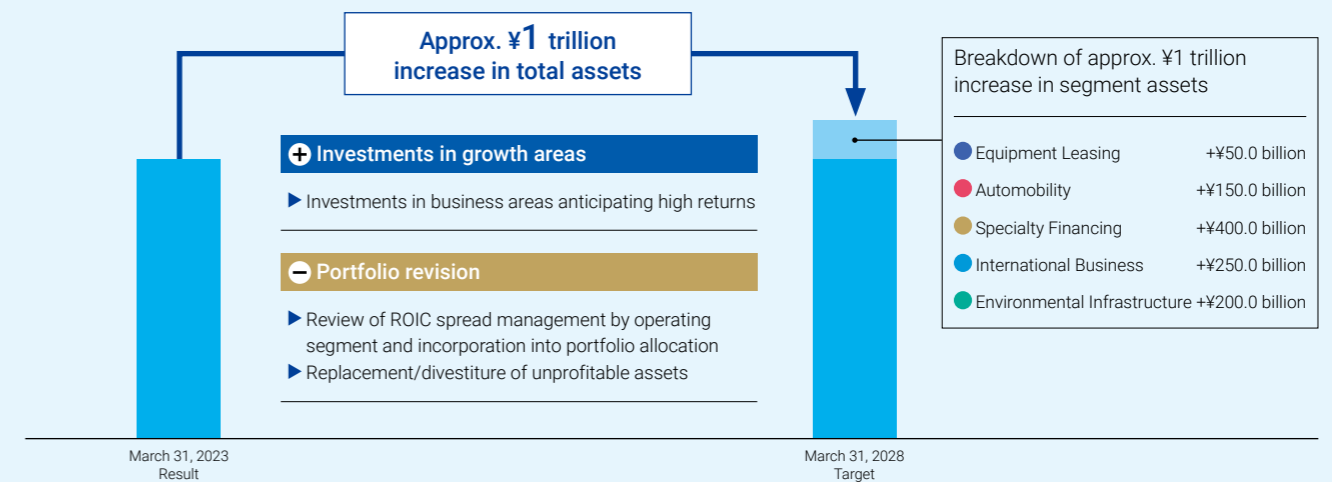
Measures for Achieving Vision

1 Road Map toward Management Targets

Path toward Target for Net Income



2 Balance Sheet

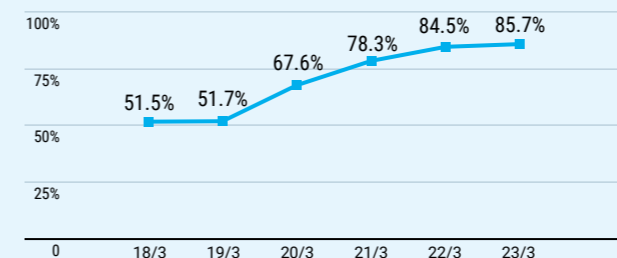


3 Fund Procurement Directive and Risk Management

Stabilization of Fund Procurement

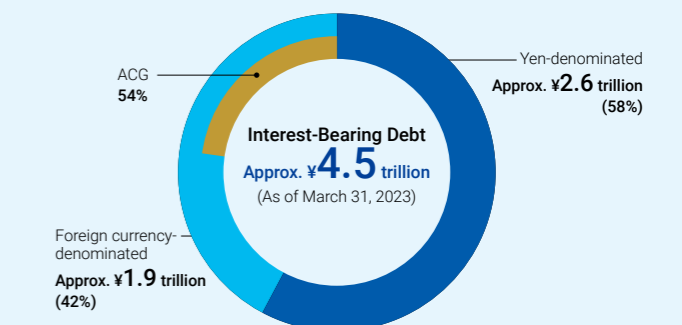
➔ Tokyo Century will continue to implement fund procurement strategies emphasizing stability given that the long-term funding ratio has remained around 85%.

Long-Term Funding Ratio



Fund Procurement Risk Management

➔ The Asset Liability Management Committee, which is chaired by the president, meets quarterly, in principle, to review reports on Groupwide fund procurement activities and to discuss and decide measures for hedging against interest rate, foreign exchange, and other market risks.

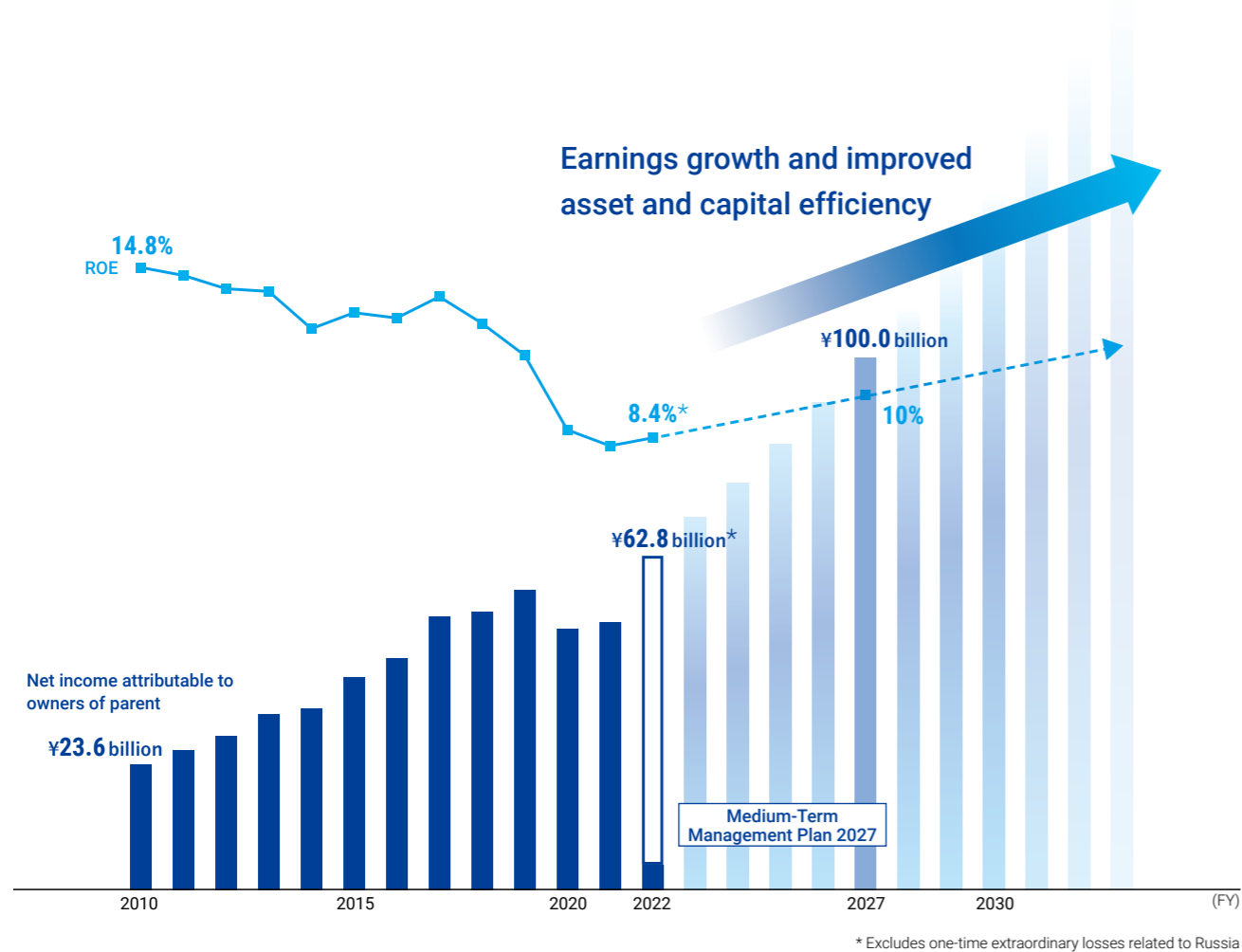


Directive for Long-Term Growth

Cultivation of sense of anticipation using highly profitable portfolio capable of consistent earnings growth

Tokyo Century seeks to achieve ongoing improvements in corporate value by heightening asset and capital efficiency, reducing the volatility and increasing the predictability of performance to lower cost of capital, and achieving stable and high earnings growth.

Expansion of Earnings through Growth Strategies

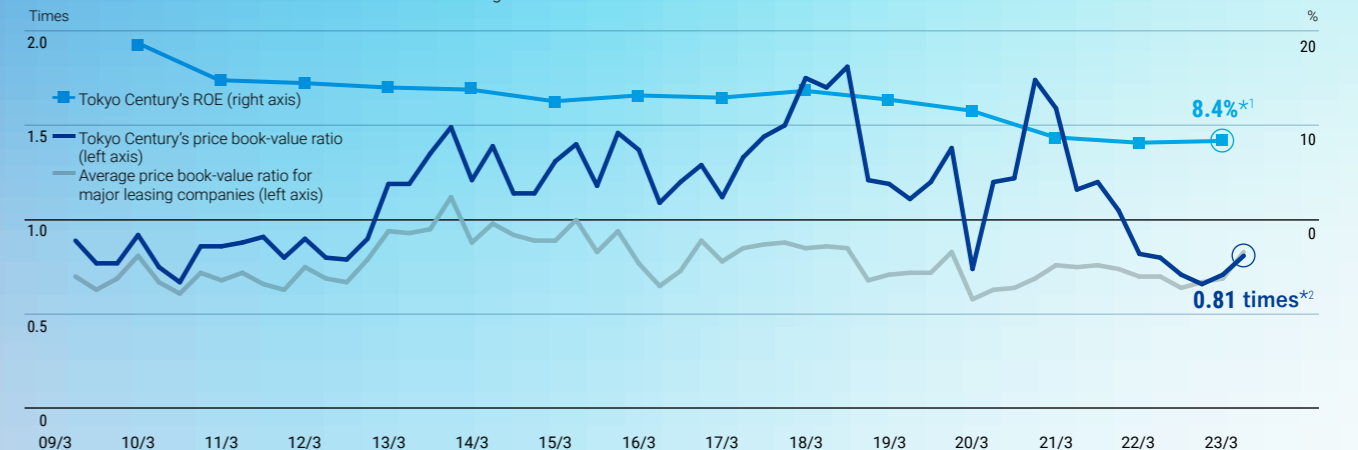


* Excludes one-time extraordinary losses related to Russia

Ongoing Improvement of Corporate Value from Long-Term Perspective



Price Book-Value Ratio and ROE Source: Bloomberg



*1 Excludes one-time extraordinary losses related to Russia
*2 Figure as of June 30, 2023