

INTEGRATED

Integrated Report 2025 Tokyo Century Corporation



REPORT 2025



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Tokyo Century Corporation

Tokyo Century will forge its future path through an equity story focused on the resolution of global social issues.

Tokyo Century as a focal point for resolving global social issues

Greetings, my name is Koji Fujiwara, and I assumed the position of president of Tokyo Century in April 2025. As the Company's new leader, I am overjoyed to be able to guide Tokyo Century in its dynamic deployment of businesses and services, both in its traditional domain of finance and in other areas.

We now find ourselves at a momentous turning point. Geopolitical risks are on the rise, the global economy is becoming increasingly segmented, and international tensions are growing. Meanwhile, the cause of this year's intense summer heat—climate change—has come to be more than just an environmental issue; it is a critical and urgent challenge with the potential to impact all areas of society and rob the upcoming generations of future possibilities. Meanwhile, AI is evolving and spreading at break-neck speed. In this manner, the operating environment is currently being impacted by a diverse range

of unprecedented changes. These changes will not merely be passing trends. Rather, they will most likely profoundly impact and drive transformation in our work itself, social and industrial structures, and even people's values.

Japan is, of course, feeling the impacts of these global trends. At the same time, the country must contend with its own slew of unique issues. For example, the ongoing population decline will no doubt shrink Japan's workforce and economy. Meanwhile, the increasing divide between urban centers and other regions threatens to diminish society's sense of vitality. We also saw the first raise in the policy interest rate in roughly two decades. This move signaled the end of the low interest rates to which we have become accustomed and is thus forcing us to adapt to a world of higher interest rates. Japan is without question faced with unprecedented

Koji Fujiwara
President & CEO,
Representative Director

Message from the President

Message from the President

difficulties due to the complicated ties between global issues and Japan's own structural issues.

We cannot deny the risks presented by this uncertain and opaque time. However, we also recognize that this time of turbulence offers a prime opportunity, both for Tokyo Century and for society, to foster new businesses and achieve growth.

Equity story for becoming a company driving solutions to global social issues with an entrepreneurial spirit

Since my time as an external director, I have constantly found myself asking exactly what type of company Tokyo Century was. In the past, it was purely a leasing company. Today, however, the scope of the Group's businesses has grown such that it is more of a "jack of all trades," and the scope of these businesses is expanding across the globe. I believe that Japan, because it is experiencing various social issues in advance of other countries, should strive to become a forerunner in addressing global social issues. Similarly, I feel that Tokyo Century should seek to clarify its role as a company that leads the way in addressing various social issues, a focal point for efforts aimed at shaping the society we desire to create.

Firmly cementing our position as such a company while achieving growth will require us to define a clear vision based on our purpose. This vision should guide us in crafting a coherent growth story that encompasses everything from the business strategies for realizing this vision to the strong financial base and management infrastructure that will support these strategies. This story will be the cornerstone of our efforts to improve corporate value.

A glance at the Tokyo Century Group and its wide-ranging businesses might lead one to believe that there is a lack of consistency within the Group. After all, we offer aircraft leasing services in the global market while providing car rental services in the Japanese market. However, said services are united by a common thread: our strong desire to contribute to the resolution of social issues. Leasing new technology aircraft boasting superior environmental performance impacts society positively in terms of

Against this backdrop, I want Tokyo Century to become a focal point for guiding the resolution of global social issues.

Tokyo Century is endeavoring to create new value together with its customers and partners. We are not just a provider of financing. We are a company charged with a mission to continue supporting the resolution of social issues.

reducing the environmental burden of international travel. This is just one example. In a similar fashion, our auto leasing and car rental service businesses offer an alternative to often underutilized private automobiles. Promoting the effective use of automobiles in this manner benefits society by contributing to the creation of a circular economy. Our renewable energy and storage battery businesses, meanwhile, help invigorate local economies through the resolution of energy-related issues.

I am always thinking about how we can further reinforce the strategy pyramid that constitutes our unique equity story, which in turn is informed by our purpose. I explore this concept so much that I have even drawn this pyramid on a whiteboard in my office to assess its feasibility on a daily basis. A major strength of Tokyo Century is how it teams up with partners who, while perhaps not from the same industry, share our values and want to collaborate in the areas where our businesses overlap.

We have long built unwavering relationships with partners such as the NTT Group, ITOCHU Corporation, and the banks where we have our accounts. With the NTT Group, for example, we have established NTT TC Leasing Co., Ltd. as a joint venture that extends our collaboration in the auto leasing field. More recently, we have been jointly operating a data center business in the United States that we anticipate will achieve substantial growth. At the same time, we are strengthening our partnership with ITOCHU in a diverse range of initiatives, including the establishment of a captive finance company in the United States and global coordination in the renewable energy field.

We also have strong ties with prominent companies in other fields, such as Fujitsu Limited, MITSUBISHI ESTATE CO., LTD., Kyocera Corporation, and the NX Group. Together with Fujitsu, we have begun supplying financial services to help the numerous companies pressed with the need to modernize their operations. By teaming up with such companies that represent Japan on the global stage, we have succeeded in carving out a unique position for ourselves. However, we are not just relying on these partners; we as a company are diligently enhancing our own capabilities to make Tokyo Century a consistently reliable partner to such industry giants. This requires that we heighten our own expertise and insight to encourage such companies to recognize Tokyo Century as an essential partner. We therefore cannot afford to halt as we advance together with our partners. We



are committed to addressing global social issues as a company with an entrepreneurial spirit.

Dedication to ensuring ROE above cost of shareholders' equity and accelerating shift toward businesses and services

There are three major strengths of Tokyo Century that I would like to cite. The first is our discerning eye for identifying the fundamental value of assets. The second is our capacity for collaboration to create new value together with capable partners. The third is our highly knowledgeable people who support the development of businesses and services in financial and other fields. The Company has continued to grow thanks to these strengths, which represent our core competencies, and to our unique business model, which is relatively free of regulatory constraints.

We continue seeking to draw out the full potential of this unique business model to contribute to the resolution of social issues while constantly refining our business portfolio. These efforts form the foundation for the ongoing improvement of our corporate value and pave the path to the future for our businesses. Management therefore finds itself pressed to expand our operations beyond financing by shifting resources toward businesses and services.

The Tokyo Century Group is a conglomerate. Some may associate the word "conglomerate" with the concept of a conglomerate discount. However, as the Group's leader, I look to turn this idea on its head. In

other words, I want to lead us in a bold endeavor to create a "conglomerate premium." I am fully confident in our ability to achieve this goal. There are two policies we will enact regarding our business portfolio in pursuit of this goal. The first is to practice qualitative screening of businesses based on our vision for Tokyo Century, which represents our social mission. The second is to adopt a quantitative perspective when assessing the earnings power of our businesses. Based on these policies, we must carefully analyze return on invested capital (ROIC) as well as indicators related to growth potential and competitiveness while being rigorous in screening businesses to determine those that warrant our time and resources. We should thereby clearly identify those businesses on which we will focus and those we should reevaluate going forward in the context of our corporate philosophy and of management targeting return on equity (ROE) surpassing cost of shareholders' equity.

Under the previous medium-term management plan, which covered the period from fiscal 2020 to fiscal 2022, Tokyo Century recorded massive losses triggered by the COVID-19 pandemic and Russia's invasion of Ukraine. We were humble in determining

Message from the President

the exact causes of those losses and, learning from the experience, proceeded to bolster earnings power by accelerating asset turnover in all operating segments. As a result, we now find ourselves within reach of achieving the target of ¥100 billion in net income attributable to owners of parent in fiscal 2027, which is set out in the current medium-term management plan. However, we must not become complacent with this level of success. I believe that

Tokyo Century has the potential to claim the No. 1 spot in the industry over the next decade. If we cannot reach this level in 10 years, we will not be able to get there even in 100 years. It is therefore imperative that we take a disciplined approach toward ensuring ROE above cost of shareholders' equity while presenting concrete growth strategies along with road maps that have a substantial impact on the market.

Creation of businesses in unexplored areas and enhancement of value of existing businesses to draw out Tokyo Century's full potential

In terms of where we are targeting growth investments, we are turning our attention to unexplored areas, those in which customers need solutions to

their issues but no company has yet sufficiently addressed those needs.

Tokyo Century will enter areas that banks and trading companies avoid and thereafter solidify a unique and competitive position in these areas to build a business portfolio with significant growth potential. In particular, I see substantial business opportunities in areas where risk-taking is required to a degree banks cannot countenance. Meanwhile, Tokyo Century will differentiate itself from trading companies—which tend to focus on large-scale projects—by seeking success in global niche markets, wherein opportunities exist in the form of untapped social needs. In this manner, we will find drivers of Tokyo Century's growth in the areas that banks and trading companies cannot or will not enter.

Moreover, Tokyo Century has cooperative relationships with numerous prime partners. These relationships enable us to propose solutions that combine the offerings of our partners with those of the Company. For example, the automobility industry is currently undergoing change amid the shift toward electrified vehicles and autonomous driving. These trends represent clear opportunities for growth as they will transform the role that Tokyo Century will play in this industry. One such opportunity is the creation of new data businesses by using AI to analyze the massive quantities of data that can be collected from vehicles. One goal of Tokyo Century is thus to establish a strong position in the automobility industry.

Meanwhile, we expect to be able to achieve substantial growth in the data center business, in which we have already commenced investment, together with the NTT Group and other partners. The data center business is one that must first undergo development. Accordingly, time is needed before this business begins contributing to earnings. Nevertheless, we forecast reliable cash flows and a high EBITDA margin from our data center project in the United States after the commencement of operations.

Another important pillar supporting Tokyo Century's growth is the aviation business. Our operations in this business are not limited to aircraft leasing; we are also developing aircraft part-out operations. In addition, I see massive potential in airport-related and other peripheral areas. We project growth in return on assets as contracts with lower leasing fees concluded during the COVID-19 pandemic begin to expire in 2026 and 2027. However, rather than stopping there, we will seek to further improve the value of the aviation business.

Meanwhile, management must address the important issue of implementing environmental measures. The creation of an environmentally sound, sustainable economy and society as described in Tokyo Century's Management Philosophy will be no easy task. It is common to view the relationship between reliable energy supplies and environmental friendliness to be one of trade-offs. This is thus an area where Tokyo Century is poised to demonstrate its value in aligning these two objectives along the same vector going forward.

Storage batteries, important devices supporting renewable energy, represent another area in which Tokyo Century is developing operations. The amount of renewable energy supplied in Japan has been rising rapidly. This rise has been accompanied by an increase in demand for storage batteries, which are crucial to regulating the supply of renewable energy-derived electricity as needed to meet demand. We are promoting the spread of renewable energy and storage batteries in our life cycle management businesses. These businesses help provide social infrastructure for ensuring the reliable supply of electricity while helping lower environmental burden.

Our environmental businesses, meanwhile, are being supported by AI and other digital technologies. Such technologies can be applied to areas ranging from strategy formulation to operation streamlining and even the discovery of new possibilities. In fact, Tokyo Century has already introduced AI technologies for use in optimizing the operation of power plants and storage batteries. As early adopters of these rapidly evolving technologies, we look to supply the optimal solutions to complicated issues. I am sure that this approach will unlock new possibilities for Tokyo Century.

Cultivation of human resources full of ambition, intellectual curiosity, and vitality to shape the future of Tokyo Century

If Tokyo Century is to leverage its strengths to advance to the next stage, it will need people with a new and contemporary mindset as well as deep insight pertaining to businesses and services. Financing is a field where a passive approach of

responding to clear requests from customers is highly viable. Other businesses and services, meanwhile, require a more active approach of creating something from nothing. This is why our people must have ambition for tackling new challenges, a robust intellectual



Message from the President

curiosity for investigating trends in the times and at other companies, and vitality for seeking out ways and opportunities to utilize the Company's strengths.

Moreover, as we continue to tackle challenges going forward, we must earnestly learn from our mistakes, as opposed to just from our successes. A true leader does not become complacent with their successes. We cannot let our failures end as such; we must learn from our failures to drive our ongoing growth. I also think it is important to remember that the opposite of "success" is not "failure," but rather "not trying in the first place." This is a belief that I hold dear, and it is something I want everyone at Tokyo Century to internalize. I also hope that everyone will boldly tackle new challenges. By encouraging such efforts, I look to foster a culture of commending ambition and embracing failure. I see this as part of my mission as a leader.

I also understand that people find non-monetary incentives to be more motivating than monetary incentives. The younger generations of today are highly receptive to the feeling of worthwhileness achieved when one contributes to society through their work at a company whose purpose resonates with them. Such people will thus consider themselves a member of an organization respected by society. This is why, as a leader, I have the responsibility to passionately communicate, in my own words, the

social meaningfulness of Tokyo Century's business to make it something well known throughout the Company.

Upon receipt of notification that I would be the next president of Tokyo Century, I thoroughly investigated the issues faced by the Company and used this information to launch 20 projects to address these issues under the guidance of future leaders. I then explained to each of these leaders my thoughts on their respective projects. These efforts kicked into motion the engine of transformation that will propel us into the future. As one facet of advancing these projects, I am promoting diversity, equity, and inclusion to help us utilize our diverse values and ideas to spur the growth of the Company. I previously had the opportunity to work in the United States. There, I was able to genuinely experience exactly how powerful it can be when diverse ideas come together. I therefore believe innovation is driven by the collision and fusion of differing qualities, such as those found in employees of all ranks, among different genders, and in people who joined the Company mid-career. We will drastically transform management by having junior and mid-rank employees play leadership roles while incorporating the input of seasoned mid-career hires functioning in supporting roles. Through this process, I hope to foster future managers capable of thinking, making decisions, and acting on their own.

Commitment to all stakeholders to achieve results as president with a focus on trust and Tokyo Century's presence

Constructive engagement with shareholders, investors, and other stakeholders is an incredibly important part of corporate management that gives us the opportunity to objectively judge our position and determine the direction we should take. Trusting relationships are a core element of effective engagement with stakeholders. This is why I emphasize earnest communication founded on openness and transparency. I also look to reduce information asymmetry and heighten the predictability of our performance. For this reason as well, it is vital that we disclose even unfavorable information with speed and integrity, as doing so is critical to building trust.

Capital policies are another crucial component of engagement with the market. I therefore aim to heighten understanding of the approach Tokyo Century will take toward balancing growth investments, risk buffers, and increases in shareholder returns. The ultimate mission of management is to maximize corporate value over the medium to long term. To fulfill this mission, we may consider raising the dividend payout ratio. However, we might also choose to focus on growth investments if it is judged that the Company is in a position where it should invest in substantial future growth. We also must work to secure the capital necessary to withstand financial



crises. I am thus committed to making the best possible decisions for ensuring the ideal balance between these various requirements. I am also devoted to working to make Tokyo Century the company that stakeholders choose because they find it to be the most appealing.

For me, there is no finish line that I will find myself completely satisfied with after crossing. Endless is my quest to guarantee that Tokyo Century remains an indispensable and contributing player in the creation of a better society. Trust and our presence are crucial parts of this quest.

I have three goals as president: fostering trustworthy people, making the Company an entity respected by society, and operating in a way that the children of the future will look up to. My job is not to speak of dreams, but rather to produce results. As such, I recognize that these goals are also an obligation.

As a businessperson, I am overjoyed at, and also incredibly grateful for the honor of, being entrusted with the responsibility of becoming president. Humbly committed to fulfilling this responsibility, I will devote my all to improving the Company's corporate value. Tokyo Century has unlimited potential and possibilities. It is also blessed with wonderful colleagues, partners, and customers. I promise to make the most of these blessings to generate results that meet and surpass the expectations all of our stakeholders have for me and for Tokyo Century.

October 2025

About This Report

Tokyo Century Integrated Report 2025

Disclosure Based on Integrated Reporting Principles

This Integrated Report systematically explains our management strategies, focusing on our growth story based on integrated thinking and the disclosure of financial and non-financial information.

	Key Message	<ul style="list-style-type: none">• Message from the President
	Overview and History	<div>CHAPTER 1</div> <ul style="list-style-type: none">• Overview of Tokyo Century• History and Growth Trajectory of Tokyo Century• Portfolio Transformation and Business Overview
	Vision and Competitiveness for Realizing This Vision	<div>CHAPTER 1</div> <ul style="list-style-type: none">• Tokyo Century's Vision for Contributing to Society• A Company Driving Solutions to Global Social Issues with an Entrepreneurial Spirit• The Tokyo Century Group's Value Creation Process• Business Models Built on Tokyo Century's Unique Strengths
	Growth Strategies	<div>CHAPTER 2</div> <ul style="list-style-type: none">• Sustainability Governance• Logic Model: Pathway to Social Impact• Transformation Pursuing a Highly Profitable and Stable Business Portfolio• Growth Strategy by Operating Segment• Human Resource and Organizational Strategies• Our Stance and Initiatives on Climate Change• Digital Transformation Strategies
	Management Foundation Supporting Business Activities	<div>CHAPTER 3</div> <ul style="list-style-type: none">• Stakeholder Engagement• Corporate Governance• Risk Management• Performance Highlights

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Editorial Policy

Integrated Report 2025 provides a detailed explanation of both financial and non-financial information—such as management and business strategies and environmental, social, and governance (ESG) factors—to convey Tokyo Century's ongoing growth potential to all stakeholders, including shareholders and investors. This includes insights from directors, executive officers, and employees on the front lines.

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Reporting Period: April 1, 2024–March 31, 2025
Some information from outside this period is also included.

Forward-Looking Statements
The forward-looking statements included in this Integrated Report, such as plans and strategies, reflect the assumptions and judgments of management based on information currently available. Please be aware that actual results may differ significantly from these forecasts due to various factors, including social and economic conditions.

Referenced Guidelines
This Integrated Report was prepared with reference to the IFRS Foundation's International Integrated Reporting Framework as a common language with investors and to the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation. As a financial services company, Tokyo Century focuses on creating businesses needed by society through collaboration with partner companies. The Company aims to clearly communicate its initiatives to contribute to the creation of an environmentally sound, sustainable economy and society, as stated in its Management Philosophy, to all stakeholders.



CHAPTER 1

Portrait of Tokyo Century

CHAPTER 1: Portrait of Tokyo Century

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Overview of Tokyo Century

Management Philosophy

The Tokyo Century Group will work
alongside customers in pursuit of their growth
as a highly specialized and unique financial services company
and will contribute to the creation of
an environmentally sound, sustainable economy and society.

Corporate Slogan

Solutions to your Pursuits

Creating new values from Finance × Services × Business Expertise

Sentiments Encapsulated in the Corporate Slogan

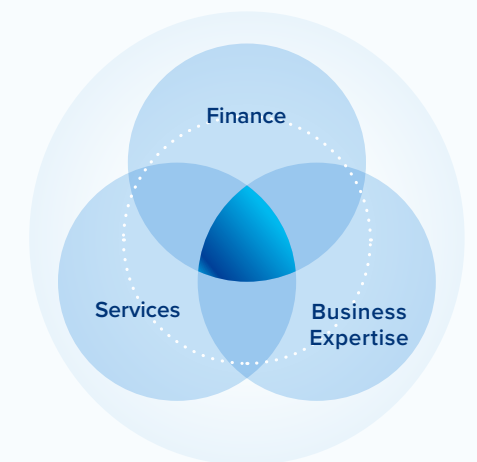
Tokyo Century's corporate slogan encapsulates our desire to support both our customers and employees in chasing their ambitions and to have the accomplishment of their ambitions act as the driver behind the ongoing growth of the Company.

Ambitions as a Corporate Group That Brings About Change

Tokyo Century will contribute to the development of its customers and of society as it and its employees proactively drive the creation of new businesses and continue to chase new ambitions.

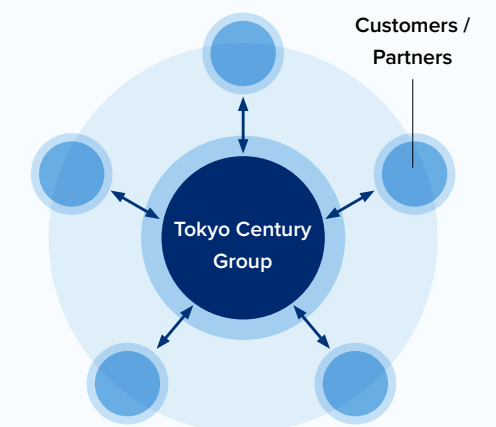
1 Highly Specialized and Unique Financial Services

Not limiting itself to financial functions, Tokyo Century is committed to its ongoing quest to provide financial services that cater to customer needs, to create high-value-added services tied to asset life cycles, and to develop businesses itself.



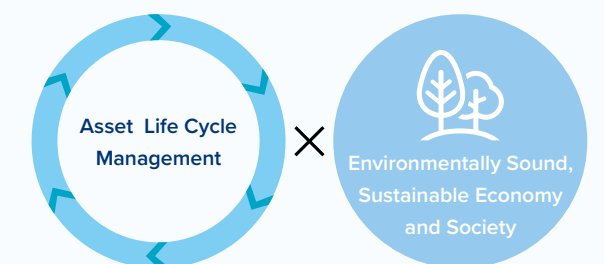
2 Partnerships with Customers Pursuing Business Growth

Tokyo Century employees continue their bold efforts to deliver solutions that surpass customer expectations and to thereby contribute to the creation of value and consequently to the development and growth of customers' businesses. Our partnership strategy is founded on the strength of our trust-based relationships with customers, and we intend to preserve this tradition within the Company so that we can keep growing together with customers.



3 Creation of an Environmentally Sound, Sustainable Economy and Society

As a company involved in a business related to various assets, recycling and decarbonization are incredibly important themes for Tokyo Century as it seeks to contribute to the creation of an environmentally sound, sustainable economy and society. We are united in our ongoing commitment to realizing such a society in order to preserve a pristine environment for future generations.



Overview of Tokyo Century

History and Growth Trajectory of Tokyo Century

Rapid Recovery and Search for New Growth Track

Acceleration of growth investments in five operating segments to advance Medium-Term Management Plan 2027 and fuel growth thereafter

- ➔ Achievement of **¥85.3 billion** in net income attributable to owners of parent, a record high for the second consecutive year
- ➔ Redoubling of efforts to improve asset efficiency (return on assets of 1.3%) and capital efficiency (return on equity of 9.0%)

1969

Century Leasing System, Inc.

- Access to diverse business expertise of the ITOCHU Group
- Leasing services centered on information and communications technology equipment

1964

Tokyo Leasing Co., Ltd.

- Access to vast customer network of former The Dai-Ichi Kangyo Bank, Ltd.
- Origin of partnership strategy with prime customers

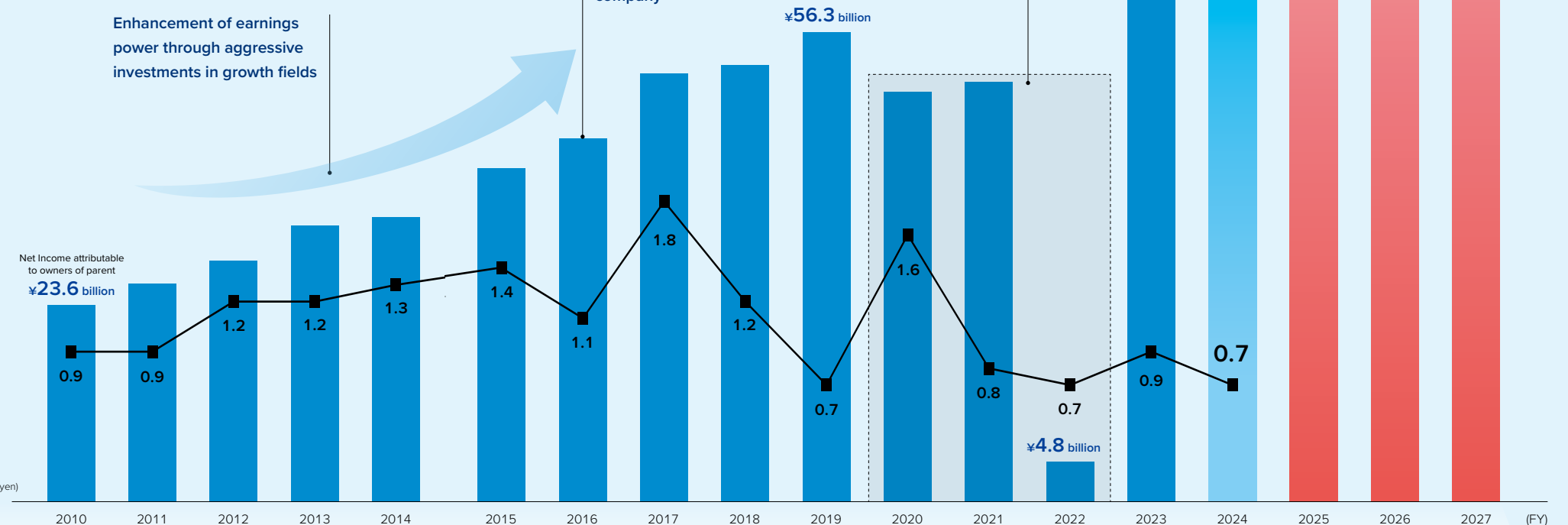
2009–

Merger of Major Leasing Companies

Birth of Century Tokyo Leasing Corporation

Faced with a pressing need to revise their business portfolios, the management of Century Leasing System, Inc. and Tokyo Leasing Co., Ltd. were prompted to undertake a merger, leading to the birth of Century Tokyo Leasing Corporation in 2009.

■ Net income attributable to owners of parent (billions of yen)
■ Price-to-book ratio (times)



Fiscal 2012 | Environmental Infrastructure

Established Kyocera TCL Solar LLC as a joint venture with Kyocera Corporation to promote solar power generation businesses

Fiscal 2013 | Automobility

Converted Nippon Rent-A-Car Service, Inc. into a consolidated subsidiary

Converted Nippon Car Solutions Co., Ltd., an auto-leasing company for corporate customers, into a consolidated subsidiary

Fiscal 2016 | International Business

Converted CSI Leasing, Inc., a leading U.S.-based independent leasing company, into a consolidated subsidiary

Fiscal 2018 | Specialty Financing

Converted Shinko Real Estate Co., Ltd. (currently TC Kobelco Real Estate Co., Ltd.), a real estate subsidiary of Kobe Steel, Ltd., into a consolidated subsidiary

Fiscal 2019 | Specialty Financing

Converted Aviation Capital Group LLC, a major U.S.-based commercial aircraft lessor, into a consolidated subsidiary

Fiscal 2020 | Specialty Financing

Invested in major Japanese private equity firm Advantage Partners Group

Fiscal 2020 | Equipment Leasing

Established NTT TC Leasing Co., Ltd. by spinning off a portion of NTT FINANCE CORPORATION's leasing and global operations (equity-method affiliate)

Fiscal 2023 | Environmental Infrastructure

Acquired 34 operating solar power plants (total output of 303 MW) in the United Kingdom together with a member of the Schroders Group, a leading U.K.-based independent asset management corporate group

Fiscal 2023 | International Business

Invested in data centers operated by the NTT Group in Chicago

Vision of Medium-Term Management Plan 2027

Financial Targets for Fiscal 2027

Net Income Attributable to Owners of Parent **¥100.0 billion**

Return on Equity **10%**

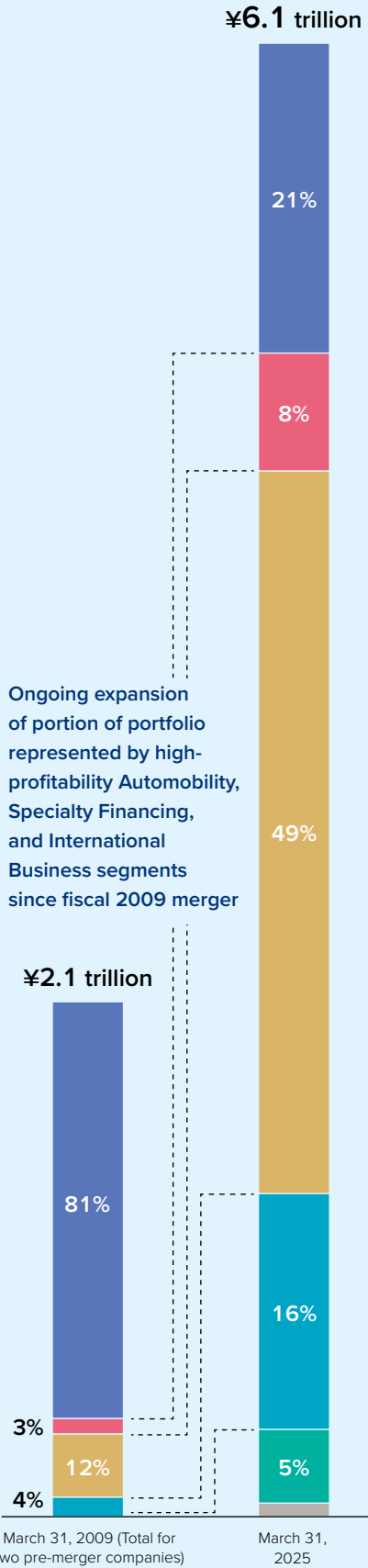
Return on Assets **1.4%**

Future Business Portfolio Policy

Replace assets in portfolio to shift toward growth businesses as Tokyo Century seeks to increase the representation of high-margin services and businesses in order to heighten asset efficiency


Portfolio Transformation and Business Overview


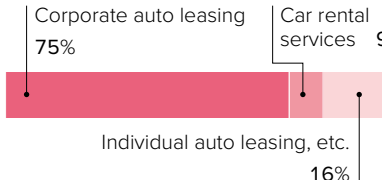
Distribution of Segment Assets


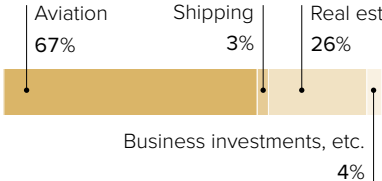



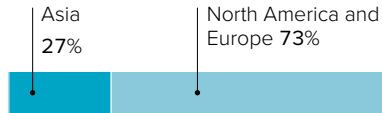
Ongoing expansion of portion of portfolio represented by high-profitability Automobility, Specialty Financing, and International Business segments since fiscal 2009 merger


Business Overview and Performance (Fiscal 2024 Results)
Note: ROA represents the ratio of net income to segment assets.

Equipment Leasing					
	Financial services optimized for capital investments in information and communications equipment and other assets		<ul style="list-style-type: none">➔ Leasing, installment payment, and other financial services for information and communications, manufacturing, and other equipment➔ IT solutions➔ Subscription services and collaboration with partners	<ul style="list-style-type: none">➔ Diverse leasing solutions and services➔ Co-creative businesses advanced together with prime partners	<ul style="list-style-type: none">➔ Customer base comprising more than 20,000 companies
	Net income	Segment assets	ROA		
	¥22.8 billion	¥1,275.0 billion	1.8%		

Automobility					
	Wide-ranging auto services provided using industry-leading fleet		<p>Segment Asset Composition</p> 	<ul style="list-style-type: none">➔ Full lineup of auto leasing, car rental, and other comprehensive auto services➔ Next-generation mobility services accommodating electric vehicles, etc., through collaboration with prime partners	<ul style="list-style-type: none">➔ Fleet composed of more than 730,000 vehicles➔ Car rental network comprising 504 locations in Japan as well as overseas locations in Hawaii and Guam➔ Approx. 16,000 affiliated maintenance locations for corporate auto leasing services
	Net income	Segment assets	ROA		
	¥17.7 billion	¥500.8 billion	3.6%		

Specialty Financing					
	Unique viable businesses built on specialized expertise in diverse product areas		<p>Segment Asset Composition</p> 	<ul style="list-style-type: none">➔ Businesses developed with focus on highly specialized assets➔ Highly competitive financial services offered through collaboration with industry-leading business partners	<ul style="list-style-type: none">➔ Industry-leading fleet of 325 owned and managed aircraft and provision of services to approximately 85 airlines in around 45 countries through aircraft leasing subsidiary Aviation Capital Group LLC (ACG)
	Net income	Segment assets	ROA		
	¥32.9 billion	¥2,972.9 billion	1.1%		

International Business					
	Leasing and auto businesses developed through a network spanning more than 30 countries and regions, primarily in North America and Asia		<p>Segment Asset Composition</p> 	<ul style="list-style-type: none">➔ Diverse financial services offered through global network➔ Fair market value (FMV) leasing and ITAD services provided by U.S. IT equipment leasing company CSI Leasing, Inc.➔ Data center (DC) business expected to see market growth driven by generative AI	<ul style="list-style-type: none">➔ Services offered in more than 30 countries and regions, primarily in North America, Europe, and Asia
	Net income	Segment assets	ROA		
	¥16.3 billion	¥977.2 billion	1.8%		

Environmental Infrastructure					
	Japan-leading scale in solar power and other renewable energy businesses		<ul style="list-style-type: none">➔ Solar power, biomass power, and other renewable energy businesses➔ Storage battery businesses➔ Solar power plant asset management businesses➔ Joint crediting mechanism (JCM) business	<ul style="list-style-type: none">➔ Japan-leading scale of solar power (mega solar) plants owned and operated➔ Environment-related business value chain constructed through collaboration with partners	<ul style="list-style-type: none">➔ 253 operational solar power plants➔ Renewable energy generation capacity of 1,079 MW (Groupwide basis)
	Net income	Segment assets	ROA		
	¥0.1 billion	¥285.2 billion	0.0%		

Tokyo Century's Vision for Contributing to Society

Key Impacts Created by Tokyo Century

Contribution to a decarbonized society through climate change response and environmental efforts

- Solar power generation ●●
- EV-related services ●
- Storage batteries ●●
- Aircraft leasing ●

Contribution to a decarbonized society

Contribution to development of a circular economy focused on the value of assets

- ICT equipment leasing ●●
- Auto leasing ●●
- ICT equipment recycling ●●
- Car rental ●

Sustainable resource use

Development of resilient, safe, and secure social infrastructure

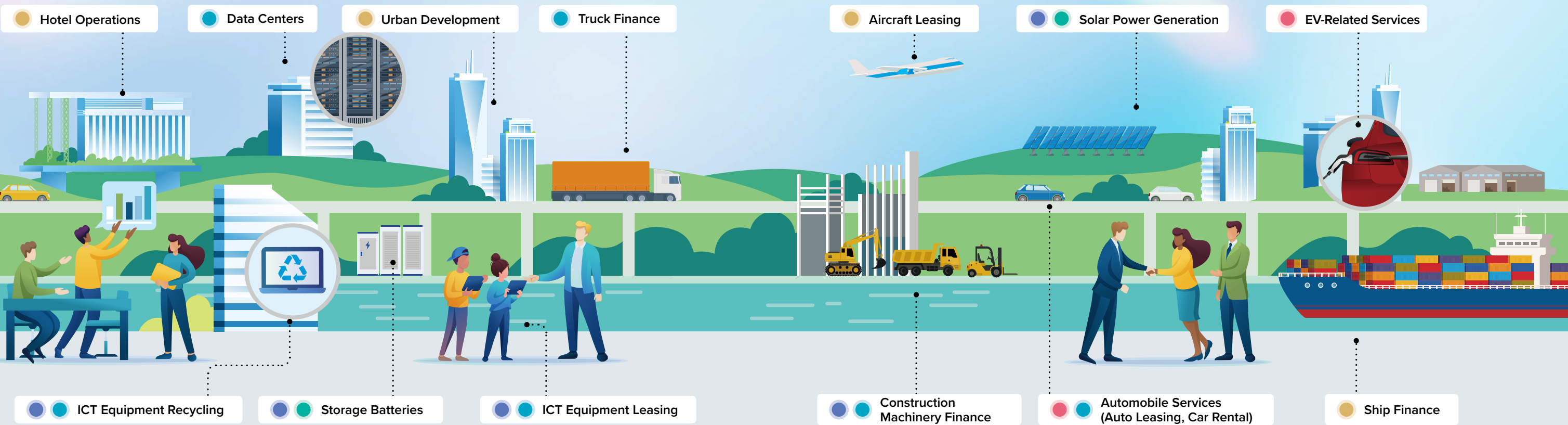
- Real estate ●
(Urban development, hotel operations, logistics centers, etc.)
- Truck and construction machinery finance ●●
- Data centers ●
- Ship finance ●
- Aircraft leasing ●

Contribution to social infrastructure development

Note: Please refer to page 35 for other key issues.

Relevant segment: ● Equipment Leasing ● Automobility ● Specialty Financing ● International Business ● Environmental Infrastructure

Assets and Services Provided Through Tokyo Century's Business Activities



Leveraging Its Unique Strengths, Tokyo Century Aspires to Be:

A Company Driving Solutions to Global Social Issues with an Entrepreneurial Spirit

Tokyo Century aims to leverage its core competencies to provide optimal solutions to the diverse social issues emerging globally and drive their resolution.



1

Identification of Asset Value (Expertise)

- Expertise for assessing asset value
- Financial functions for lowering costs for customers
- Value-added services

2

Partnerships (Track Record)

- Robust customer base
- Expansion of business scope through joint businesses with partners
- Creation of new project teams by linking various partners

Addressing Global Social Issues

Core Competencies

3

Highly Specialized Professionals (Foundation)

- Professionals knowledgeable about highly specialized assets
- People with expertise for identifying asset value
- Driving force behind joint businesses with partners



Contribution to a decarbonized economy through climate change response and environmental efforts

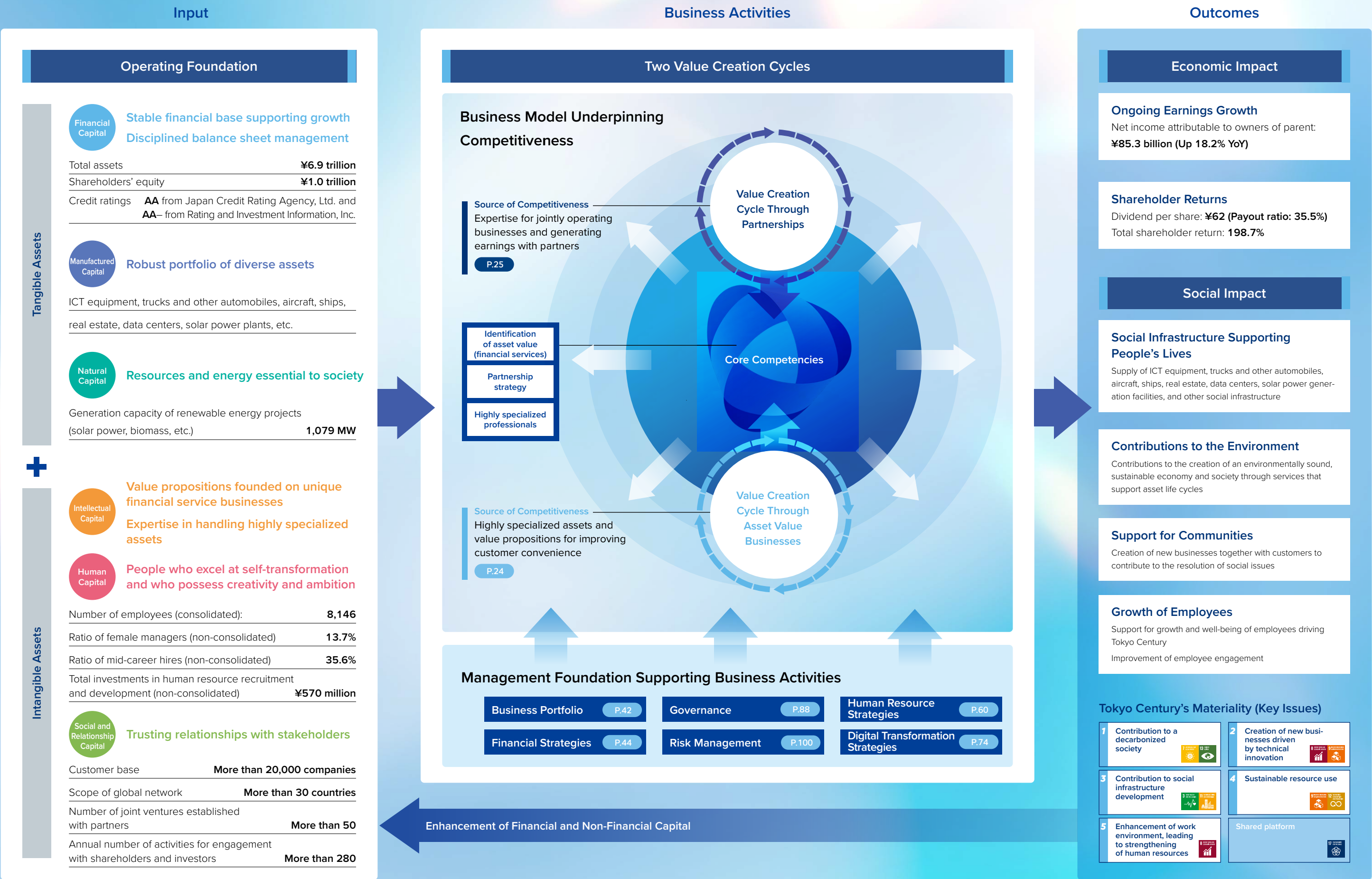


Contribution to development of a circular economy focused on the value of assets



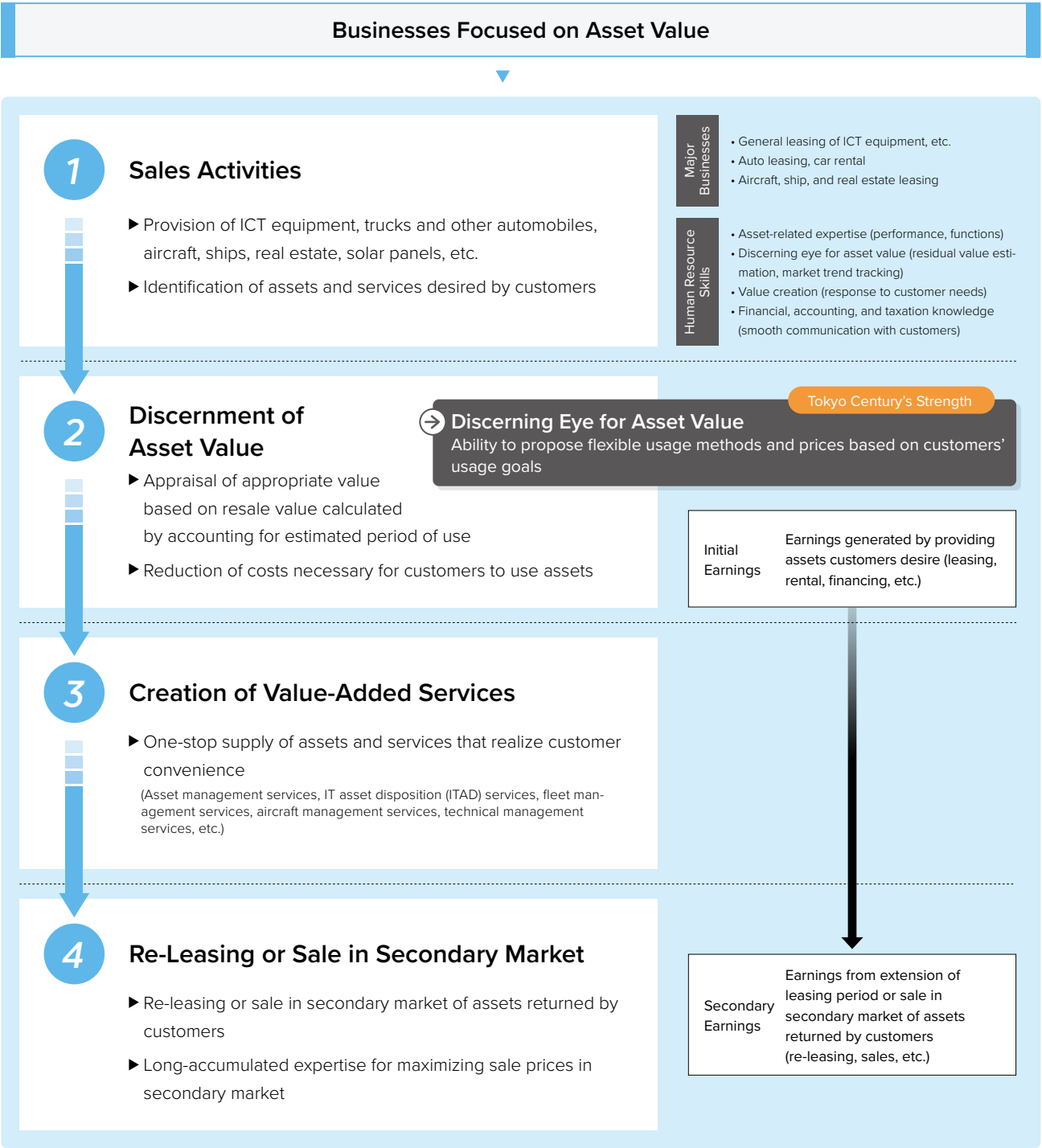
Development of resilient, safe, and secure social infrastructure

The Tokyo Century Group's Value Creation Process



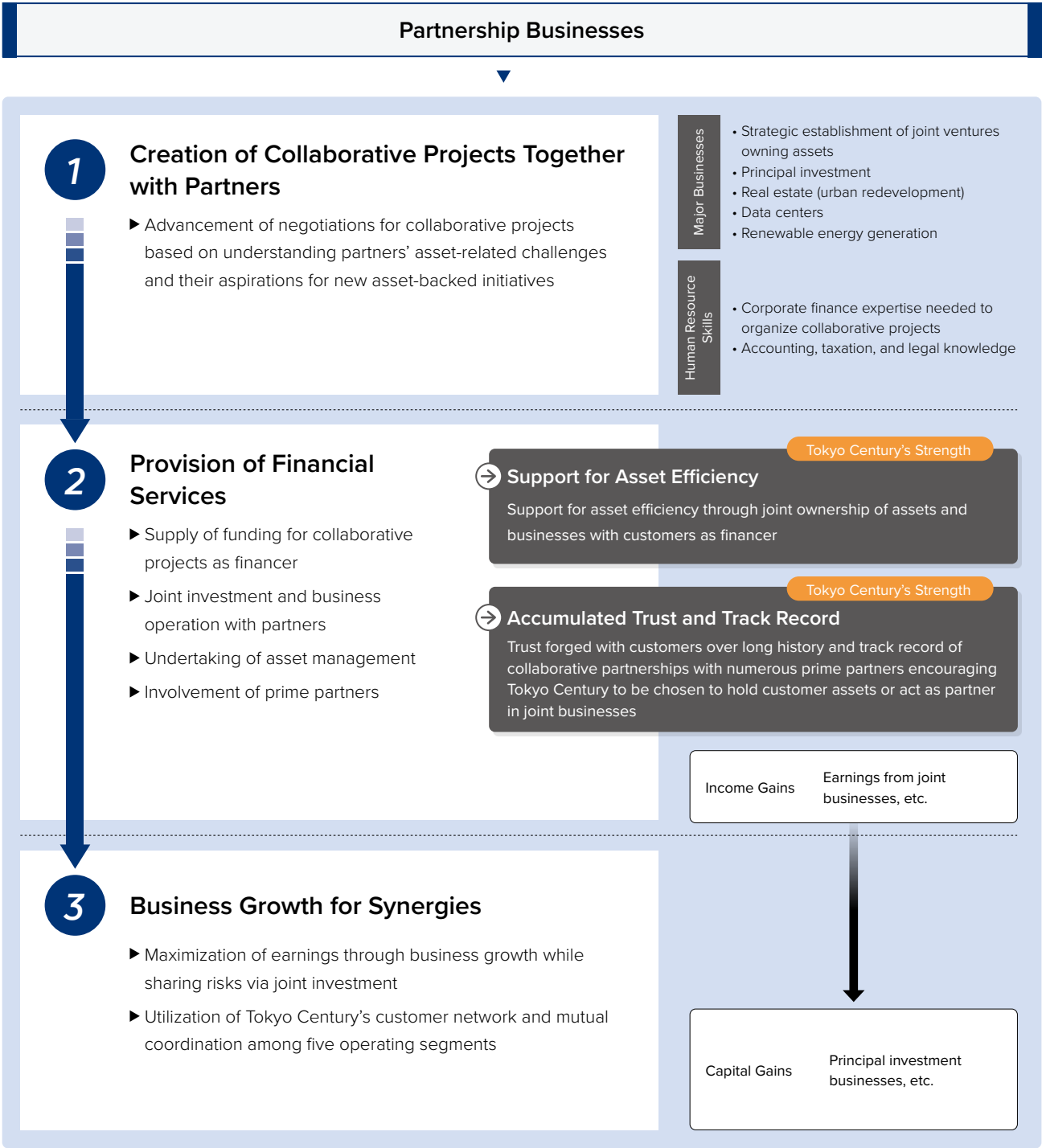
Business Models Built on Tokyo Century’s Unique Strengths

Value Creation Driven by Discerning Eye for Asset Value and Excellence in Earning Trust of Customers



Creation of Social Value

- Provision of assets customers desire when needed
- Reduction of administrative burden by acting as asset management proxy
- Distribution of used assets to promote reuse



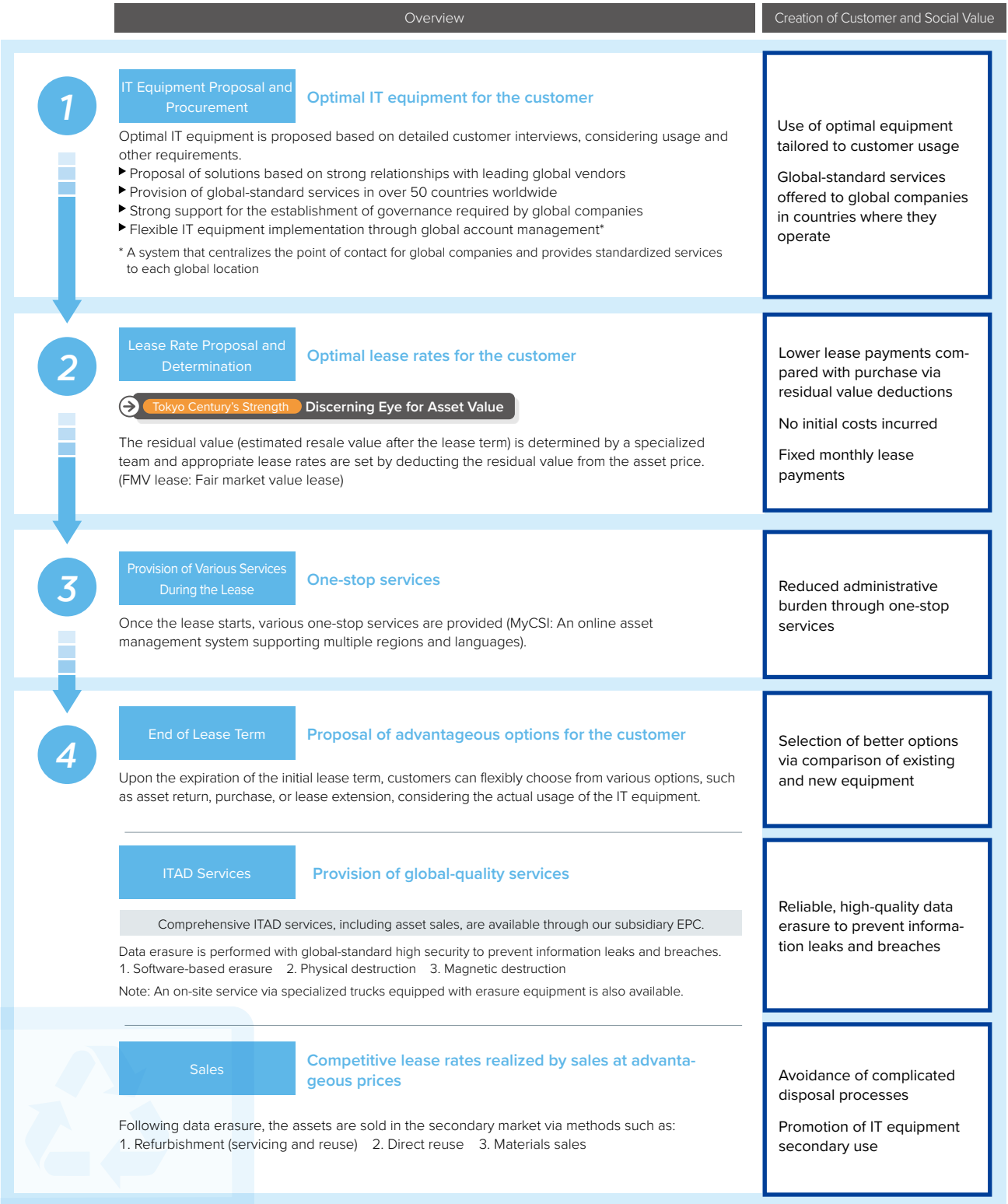
Creation of Social Value

- Promotion of large-scale projects with social significance
- Support for new pursuits of customers
- Provision of social infrastructure indispensable to economic activities

Examples of Asset Value Provision

IT Equipment Leasing Life Cycle Management

CSI maximizes the value of leased assets through highly specialized consulting in IT equipment leasing, thereby enhancing its business competitiveness and profitability. It provides high-quality leasing services that meet the strict standards demanded by global companies. In collaboration with its subsidiary EPC, CSI also offers comprehensive IT asset disposition (ITAD) services—from appropriate data erasure to asset disposal—effectively supporting the customer's entire IT asset life cycle.



Total Vehicle Support Through Auto Leasing

In the auto leasing business, we comprehensively support customers not only by providing vehicles through leasing but also by offering services necessary for vehicle use. This allows customers to enjoy the benefits of vehicle use through leasing, as well as reduced administrative burdens. Our strength—a discerning eye for asset value—allows us to set highly competitive lease rates by factoring in the residual value, which is the expected market price of the vehicle after the lease expires.



Discerning Eye for Asset Value

Setting the residual value in auto leasing is a critical process that predicts the future value of a vehicle to determine the lease rate. A specialized team calculates the residual value by establishing unique standards based on vehicle type, lease term, and expected mileage. This calculation comprehensively takes into account big data accumulated over time, as well as fluctuations in the external environment, such as the used car market and foreign exchange rates. Furthermore, irregular values like temporary market spikes, or highly individualized vehicles such as trucks and luxury cars, are analyzed for their specific characteristics and undergo close adjustments in order to avoid future risks. In this way, we set optimal residual value by fusing data, deep market understanding, and expert judgment.

Examples of Businesses Developed with Partners (the NTT Group and ITOCHU Corporation)

Strategic Partnership with the NTT Group

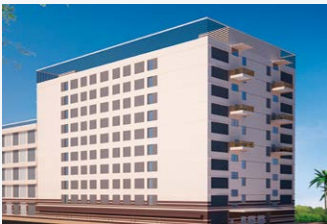
Tokyo Century's strategic partnership with the NTT Group began in 2005 with the integration of their auto leasing businesses. This relationship has grown even stronger since their capital and business alliance in 2020. Creating collaborative opportunities with the NTT Group remains a top priority, and the Company continues to expand the scope of its collaboration.

1 Creation of Collaborative Projects with Partners

	Equipment Leasing	Automobility	Specialty Financing	International Business	Environmental Infrastructure
Finance	2020– Leasing & Financing (Japan, Overseas) Development of co-creative projects combining the NTT Group's high reliability and vast customer network with Tokyo Century's financial service expertise	2005– NCS, Auto Leasing (Japan) Promotion of electric vehicle (EV) use centered on the NTT Group's fleet	2022– Real Estate (Japan) Real estate development and investment jointly with the NTT Group	2020– Leasing & Financing (U.S., India, Central & South America, etc.) Use of CSI's global network to support NTT's overseas business expansion	
Services		Acceleration of proposals of EV services to municipalities		Co-creative projects advanced by CSI and NTT TC Leasing	
Businesses	FY2024 Ordinary Income: ¥19.8 billion	FY2024 Ordinary Income: ¥17.5 billion		Data center projects in the U.S. and India	
				2021– Data Center Business (U.S. & India) Joint operation of data center businesses in the U.S. and India	2020– Solar Power Generation Business (Japan) Joint establishment of a fund for investing in domestic renewable energy businesses

Data Center Business

Our collaboration with the NTT DATA Group in the data center business began in 2021. The data center business is an asset business that requires large initial investments and a long-term perspective. We support this business not merely as a fund provider but as a business partner that co-creates the business and maximizes its value, leveraging the expertise we have cultivated in finance and various other projects.



2 Provision of Finance and Services

Optimal Financing Structuring

Leveraging our advanced financial expertise cultivated in leasing and financing, we execute optimal financing tailored to the characteristics of each project. This enables agile and stable business development, even for large-scale operations.

Project Management as a Financier

Rather than simply investing capital, we also play a role in accurately assessing the future potential and profitability of the data center business, managing and supervising its projects to maximize their value.

Maximizing Synergy Through Role Division

We support the entire business from the finance and business management side so that the NTT Group, which possesses world-class technological capabilities and a vast customer base, can concentrate on technology development and operations. This clear division of roles and our mutually complementary relationship create a competitive advantage that other companies cannot match.

3 Business Growth Through Synergy Creation

As the social implementation of generative AI accelerates, data centers have become a fundamental part of infrastructure of our digital society, and their importance continues to grow. As finance professionals, we do more than just provide funds; we are committed as a partner that takes on risks and co-creates the business. Under our corporate slogan, "Solutions to your Pursuits," we will fully leverage the expertise we have cultivated through joint projects with many partner companies to contribute to maximizing business value. In addition to expanding our collaboration in the data center business, we will further deepen our partnership with the NTT Group within the IT service value chain to enhance the corporate value of both companies and contribute to solving social issues.



Takayuki Nishimura
General Manager, Global Business Division II, International Business

Strategic Partnership with ITOCHU Corporation

Tokyo Century is working to create new value in Japan and overseas by combining its expertise with ITOCHU's broad business portfolio. Our collaboration addresses a wide range of fields where growth is expected.

1 Creation of Collaborative Projects with the Partner

Construction Machinery and Truck Finance	<ul style="list-style-type: none">Joint investment in ITOCHU TC CONSTRUCTION MACHINERYEstablishment of a joint venture, ZAXIS Finance, to offer financing for construction machinery in North AmericaCollaboration with Morooka and ITOCHU to promote sales of construction machinery in North AmericaCollaboration with ITOCHU for truck finance in North America
Environment and Energy	<ul style="list-style-type: none">Grid-scale battery business with Osaka Gas and ITOCHUEstablishment of a joint venture, IBeeT, to offer a distributed power source subscription service
Energy Storage	
Hydrogen	<ul style="list-style-type: none">Investment in Clean H2 Infra Fund, the world's first large-scale clean hydrogen infrastructure investment fund
Wind Power	<ul style="list-style-type: none">Investment in an onshore wind power project in Aomori Prefecture
Renewable Energy	<ul style="list-style-type: none">Investment in a renewable energy fund in North America as a limited partner
Biomass	<ul style="list-style-type: none">Acquisition of the development rights regarding solar power plants in North AmericaJoint investment in Hyuga Biomass Power Plant in Miyazaki Prefecture
Other	<ul style="list-style-type: none">Collaboration in Belong One, a used smartphone and tablet device rental service for companiesStore fixture leasing for FamilyMartInstallation of solar power generation facilities at stores using subsidies in cooperation with FamilyMart

ZAXIS Finance

In fiscal 2022, we established ZAXIS Finance in North America with ITOCHU Corporation and Hitachi Construction Machinery to provide financing for construction machinery. Customers purchasing construction machinery often pay for it in long-term installments. In North America in particular, manufacturers are required to provide dealers and customers with swift screening and competitive financing options that meet their needs.

A Three-Company Joint Venture with ITOCHU and Hitachi Construction Machinery



2 Provision of Financial Services

Designing and Providing Financial Programs

To meet the diverse needs of customers, we design and offer flexible financial products such as leases and installment sales. This allows customers to minimize their initial investment and systematically introduce the latest construction machinery.

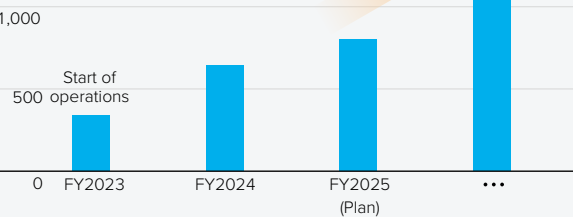
Credit Screening and Risk Management Functions

Utilizing our credit expertise cultivated over many years in the financial business, we conduct swift and accurate customer screenings. We also support the sound operation of the programs by managing the financial assets (receivables) of the entire business and appropriately controlling risks.

3 Business Growth Through Synergy Creation

The North American construction machinery market is one of the largest in the world, and stable demand is expected to continue in the housing construction and infrastructure sectors. Since its establishment in 2022, ZAXIS Finance's operating assets have grown steadily. The company achieved profitability in fiscal 2023 and increased profits in fiscal 2024. Further growth is anticipated from fiscal 2025 onward.

Operating Assets
(Millions of U.S. dollars)



CHAPTER

2

Our Strategies for Sustainable Growth

CHAPTER 2: Our Strategies for Sustainable Growth

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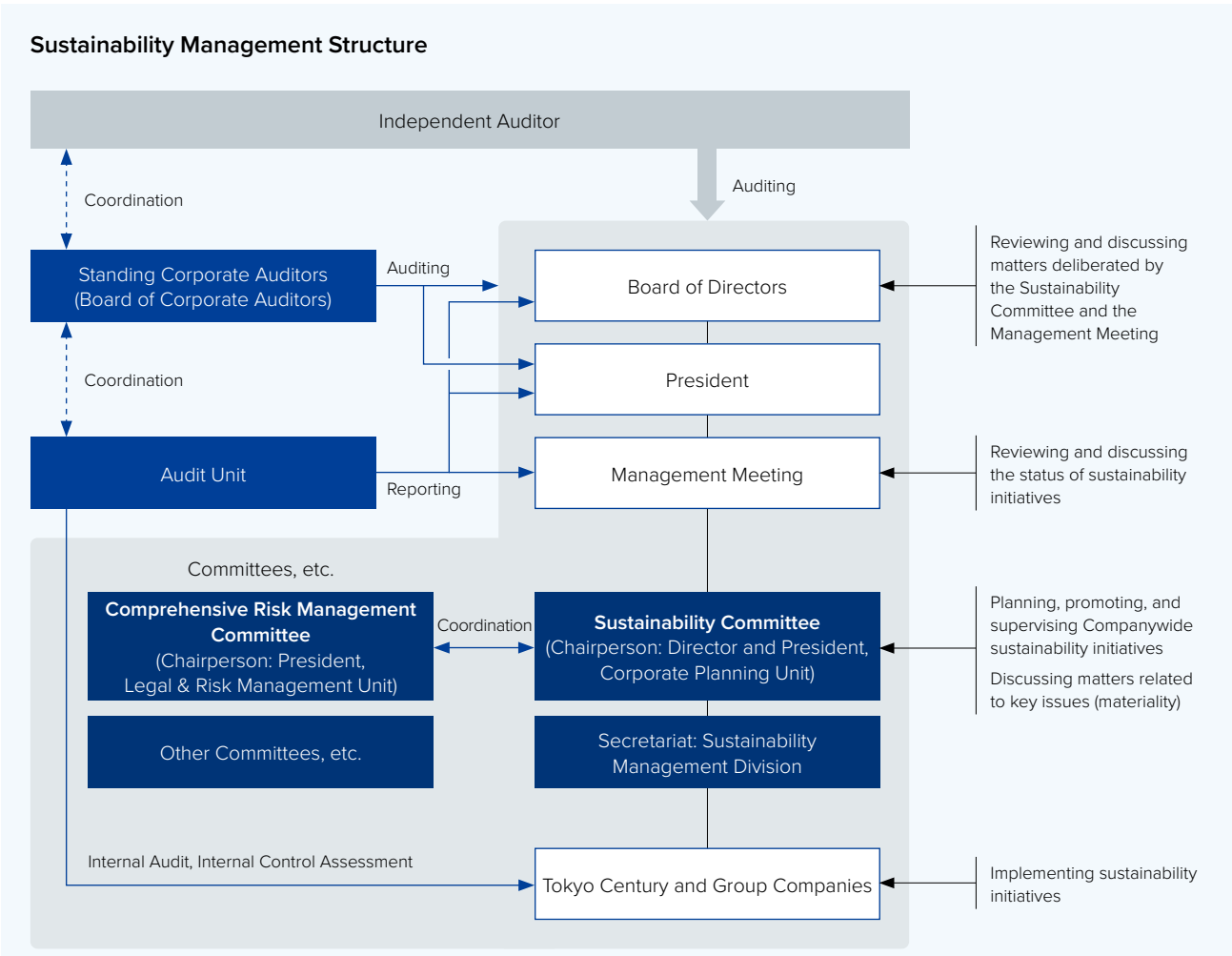
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Sustainability Governance

Sustainability Management Monitoring System

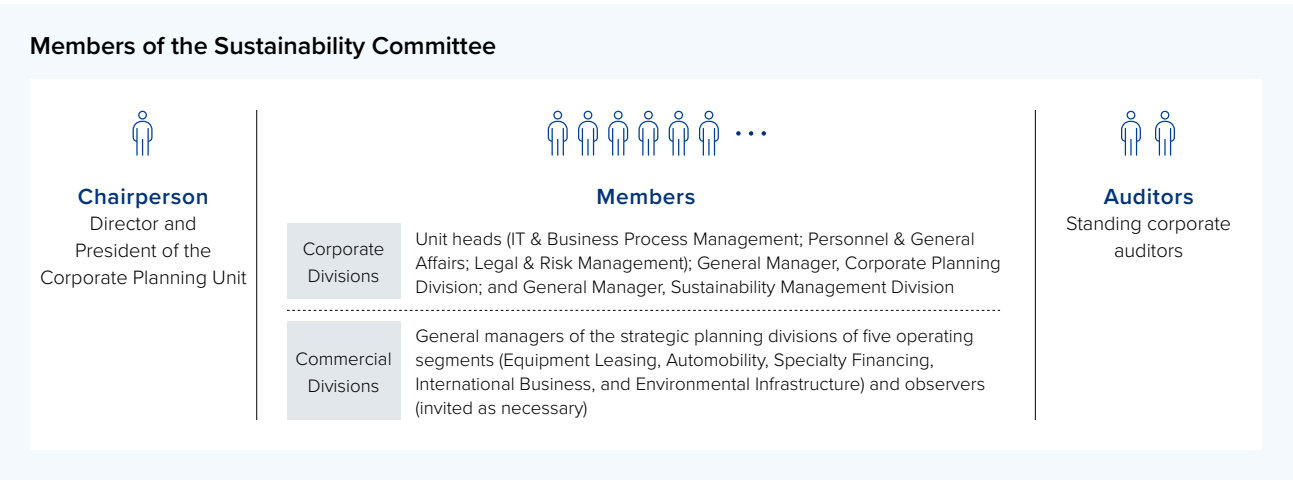
In its pursuit of sustainable growth through sustainability management, Tokyo Century has instituted a monitoring system to confirm the progress of management strategies based on the five key issues identified through our materiality assessment and to provide advice for improvements. Moreover, appropriate governance is practiced and a PDCA (plan–do–check–act) cycle is implemented to improve the effectiveness of sustainability management.



Role of the Sustainability Committee

Established in April 2018, the Sustainability Committee is responsible for deliberations related to sustainability management at Tokyo Century. This committee meets twice a year, in principle. Important matters deliberated on by the Sustainability Committee are reported to and discussed by the Management Meeting and the Board of Directors to allow for oversight by the latter. The Sustainability Committee, chaired by the director and president of the Corporate Planning Unit, recognizes sustainability as a key management priority and promotes initiatives, including addressing our materiality items.

The Audit Unit, established as an independent organization reporting directly to the president, conducts internal audits of the Company and its Group companies. These audits include reviews of sustainability-related matters. Standing corporate auditors meet with the Audit Unit once a month, in principle, to exchange information, and important findings are then reported to external corporate auditors at meetings of the Board of Corporate Auditors.



Implementation of PDCA Cycle

In February 2020, Tokyo Century formulated its Sustainability Road Map. This road map was discussed and approved by the Sustainability Committee before being reported to the Management Meeting and the Board of Directors.

The Sustainability Committee manages the progress of Tokyo Century's initiatives in accordance with the Sustainability Road Map, reporting its findings to the Management Meeting and the Board of Directors. Based on these reports, the Sustainability Committee, the Management Meeting, or the Board of Directors issues instructions as necessary to the Sustainability Management Division and other relevant teams. These divisions then implement the instructions to improve the effectiveness of Tokyo Century's sustainability management and to enhance its environmental, social, and governance (ESG) strategies.

The Sustainability Committee's Major Agenda Items, Reports, and Responses

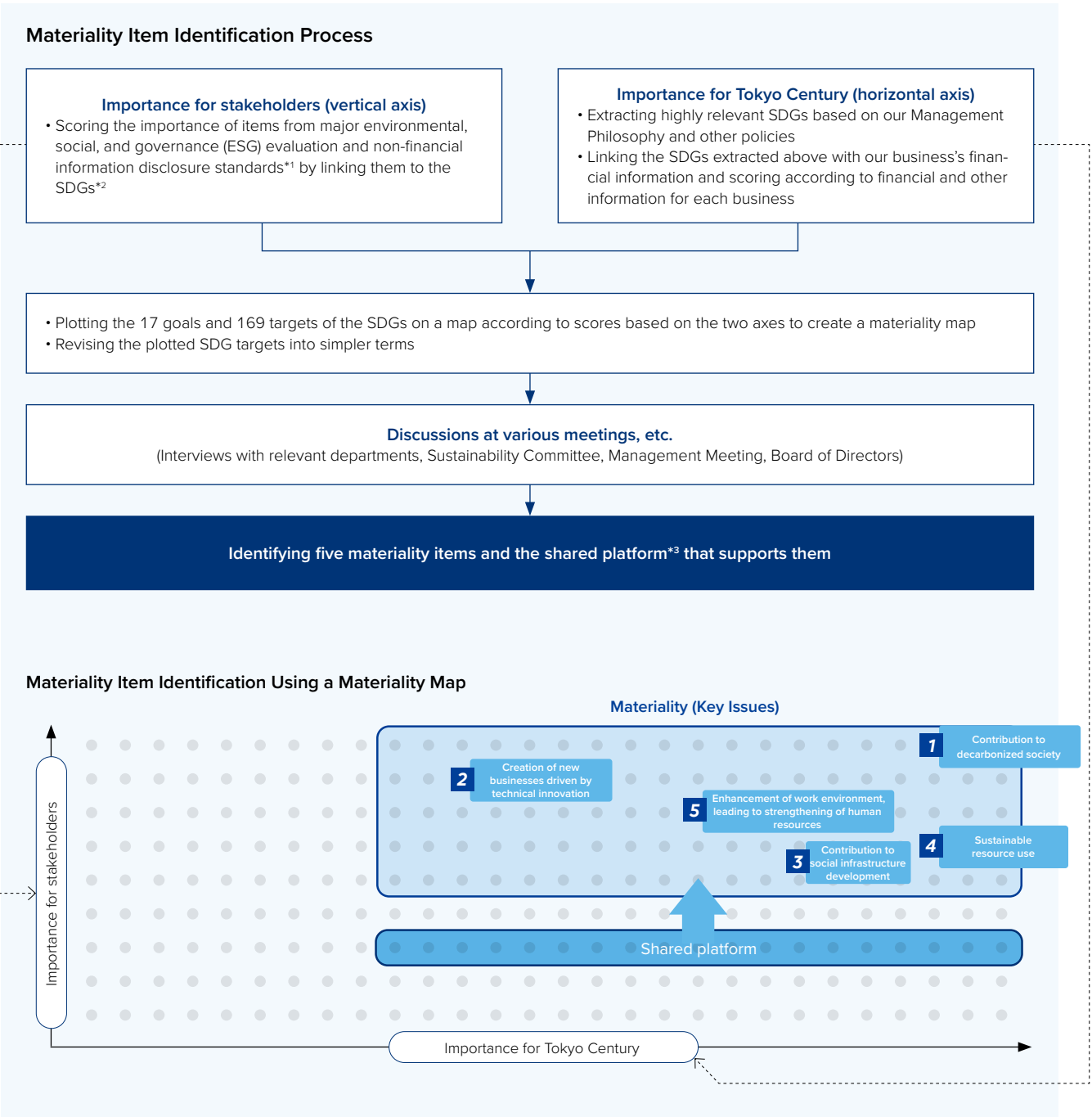
Major Agenda Items	Fiscal 2023	Fiscal 2024
Information disclosure	➡ Consideration of disclosure based on Corporate Sustainability Reporting Directive (CSRD)	➡ Status of response to domestic and international sustainability information disclosure standards
	Response Identification of applicable Group companies and analysis of disparities between current disclosure materials and CSRD standards as parent company is located outside of the European Union	Response Identification and rating of the impacts, risks, and opportunities for each value chain
Carbon-neutrality initiatives	➡ Carbon-neutrality action plan and progress report	➡ Carbon-neutrality action plan and progress report
	Response (1) Expansion of scope of disclosure for Scope 1 and Scope 2 emissions (fiscal 2022: 90 companies ➡ fiscal 2023: 93 companies) (2) Ongoing acquisition of third-party verification for CO ₂ emissions and contributions to emissions reductions	Response (1) Expansion of scope of disclosure for Scope 1 and Scope 2 emissions (fiscal 2023: 93 companies ➡ fiscal 2024: 97 companies) (2) For Scope 3, development of disclosure and reduction policies and promotion of initiatives focused on high-emission businesses
Materiality items	➡ Introduction of new KPI for materiality items	➡ Performance reporting on KPIs related to Tokyo Century's materiality items
	Response Definition of transaction volume as new KPI for materiality items of "contribution to decarbonized society," "contribution to social infrastructure development," and "sustainable resource use"	Response Establishment of a KPI-based PDCA cycle through reporting the targets and results of materiality-related KPIs to the Sustainability Committee
Progress of medium- to long-term sustainability management initiatives (Sustainability Road Map)	➡ Establishment of road map (37 action items) for Medium-Term Management Plan 2027	➡ Progress in fiscal 2024 of the Sustainability Road Map for Medium-Term Management Plan 2027
	Response Reporting on progress in fiscal 2023 and on plans for fiscal 2024 and fiscal 2025	Response Reporting on progress in fiscal 2024, plans for fiscal 2025, and key considerations for action in fiscal 2025
Other	➡ Formulation of Tokyo Century Group Environmental and Social Management Policy for Financing and Investment Activity	➡ Consideration of response to TNFD at Tokyo Century
	Response Clear definition of the Tokyo Century Group's policies, including prohibiting financing or investment to newly establish or expand coal-fired power plants	Response Reporting on short-term and medium- to long-term policies regarding response to TNFD (information disclosure on biodiversity and natural capital, etc.)

Materiality Item Identification Process and Social Impact

Materiality Item Identification to Support Sustainability Management

Materiality (Key Issues) Aligned with the SDGs

Tokyo Century advances its sustainability management to contribute to solving social issues through its business activities. This initiative is also designed to achieve sustainable growth for both society and the Company and to enhance its corporate value. To this end, the Company has identified its materiality (key issues).

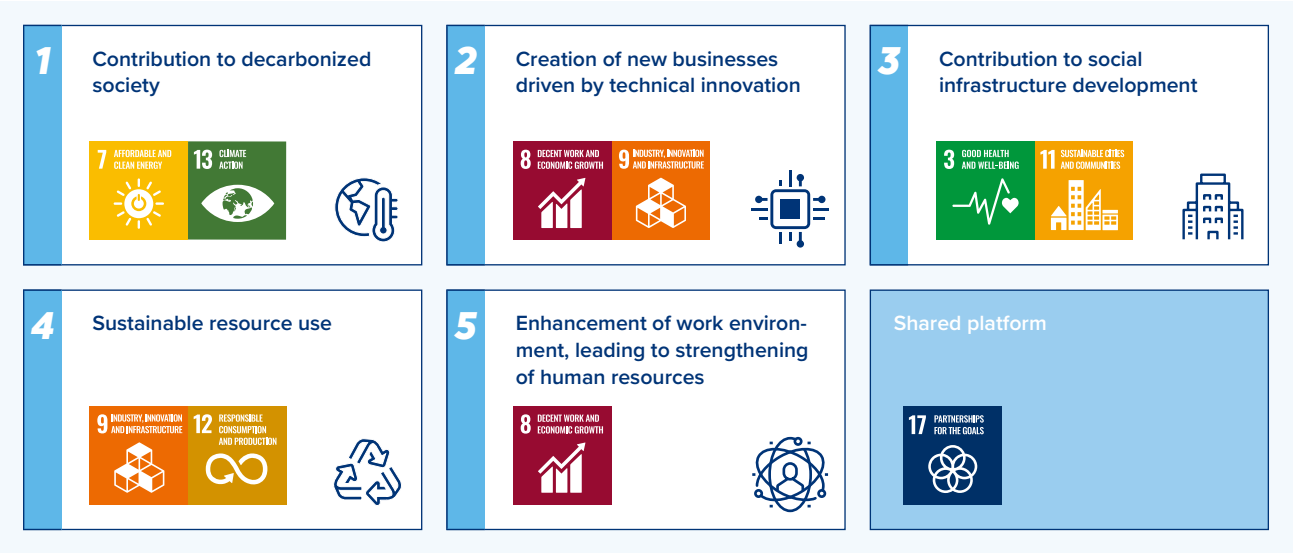


*1 Major ESG evaluation and non-financial information disclosure standards referenced
Dow Jones Sustainability World Index, FTSE4Good Index Series, MSCI indexes, SASB Standards

*2 The 17 goals and 169 targets of the SDGs

*3 Our business model (partnership strategy), which creates a wide variety of businesses together with partner companies

Materiality (Key Issues) Aligned with the SDGs



Contribution to Solving Social Issues (Creation of Social Impact)

Tokyo Century's business activities are closely aligned with environmentally friendly, circular businesses. Promoting these activities helps solve social issues, which will in turn lead to sustainability management that aims for our sustainable growth and the enhancement of corporate value.

Based on this understanding, we have identified the social value (social impact) we create for three fields of our materiality that are highly relevant to our business: decarbonization, social infrastructure, and the circular economy. We have also developed a logic model that maps out the pathway to create value. This, in turn, has enabled us to establish indicators (impact KPIs) to measure this value.

Materiality	Impact KPI	Results		Social Impact Tokyo Century Aims to Create
		FY2023	FY2024	
Contribution to decarbonized society	① Carbon credits purchased NEW	89 thousand t-CO ₂	0.5 thousand t-CO ₂	Contribution to a decarbonized society through climate change response and environmental efforts
	② Contribution to CO ₂ reduction by shifting to electrified vehicle (EV and hybrid) leases NEW	115 thousand t-CO ₂	122 thousand t-CO ₂	
	③ Contribution to CO ₂ reduction from solar power generation business	218 thousand t-CO ₂	231 thousand t-CO ₂	
	④ Expected greenhouse gas emissions reductions when JCM*1 projects are adopted	43 thousand t-CO ₂	48 thousand t-CO ₂	
Contribution to social infrastructure development	⑤ Lease contract value for public institutions*2 NEW	¥144.2 billion	¥168.1 billion	Development of resilient, safe, and secure social infrastructure
	⑥ Power capacity of data centers*3 NEW	58 MW	70 MW	
	⑦ Installed energy storage capacity from our storage battery business NEW	—	11 MWh	
Sustainable resource use	⑧ Re-leasing rate (renewal rate) NEW	78.7%	78.8%	Contribution to development of a circular economy focused on the value of assets
	⑨ Recycling rate of industrial waste such as plastic-containing products	95.8%	96.2%	

*1 Joint Crediting Mechanism

*2 Government ministries and agencies, local governments, independent administrative agencies, public interest incorporated foundations, educational institutions, medical and welfare facilities, and other public institutions

*3 The capacity to supply the electricity needed to operate servers, network equipment, etc., within a data center

Logic Model: Pathway to Social Impact

A logic model systematically illustrates the impact of business activities on society (social impact) and its story, and it serves to complement the value creation process, a framework that explains how a company sustainably creates value and grows. Its components are “input” (resources invested), “business activities,” “output” (products and services created by business activities), direct, intermediate, and final “outcomes” (changes and results brought about by the output), and “impact” (changes and effects on society as a whole achieved through the accumulation of outcomes).*1

The logic model and materiality (key issues) are closely related. The logic model is a tool for logically explaining how a company’s business activities contribute to solving the materiality items it has identified and how that ultimately leads to the enhancement of corporate value.

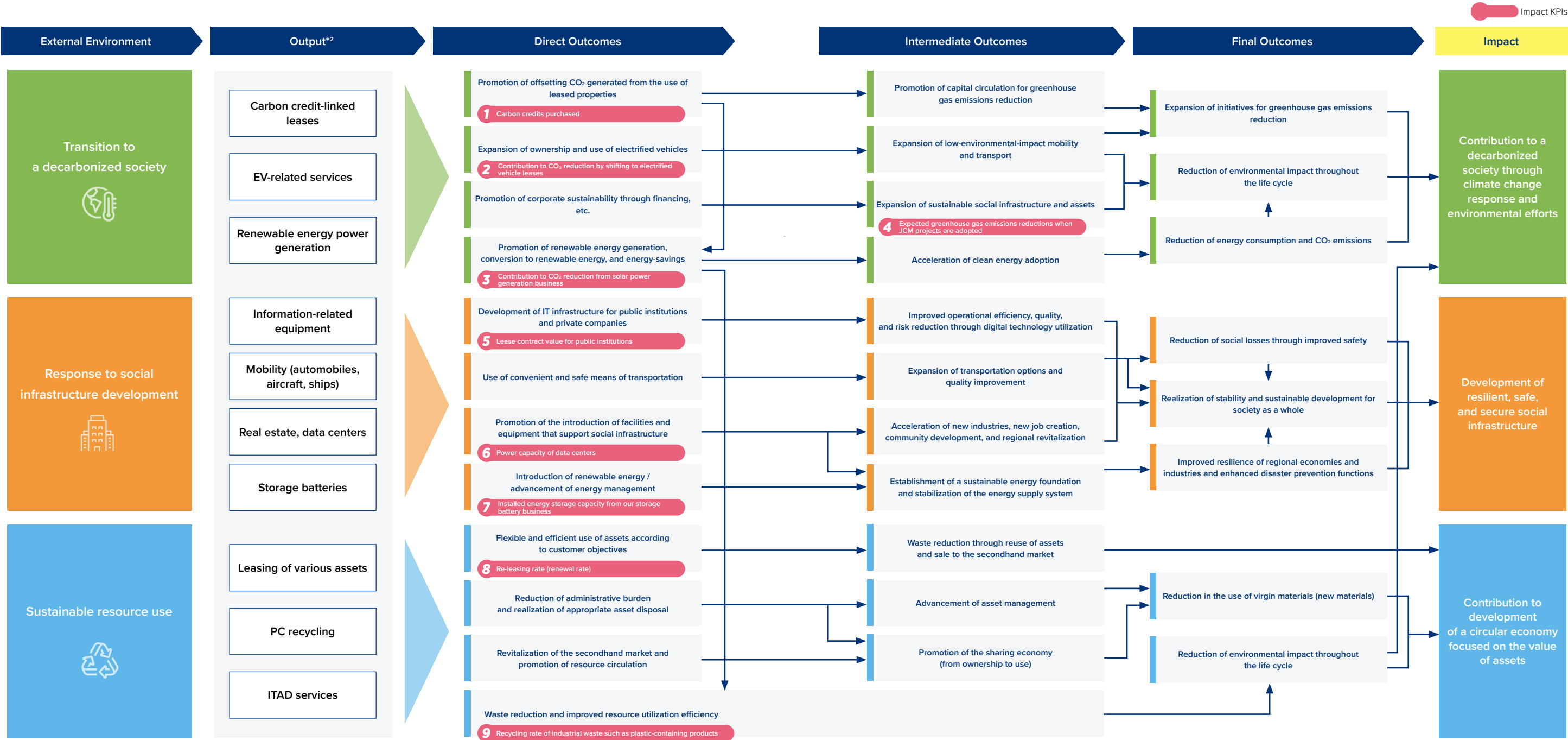
We are engaged in a wide range of businesses, including the leasing of information and other equipment; corporate and individual auto leasing and car rentals; leasing and financing of ships, aircraft, and real estate; principal investment (business investment); and renewable energy businesses such as solar power generation and storage batteries. The logic model clarifies how our diverse business activities contribute to solving social issues.

Specific Example

Contribution to a decarbonized society through climate change response and environmental efforts






The use by customers of our carbon credit-linked leases, electrified vehicle leases, and electricity supplied from solar power generation reduces the consumption of fossil fuels.

The logic model shows that, through the spread and expansion of such activities, we create the social impact of contributing to a decarbonized society. As indicators to measure the degree of impact on society, we have set the volume of carbon credits purchased and the contribution to CO₂ reduction from the shift to electrified vehicle leases as impact KPIs.



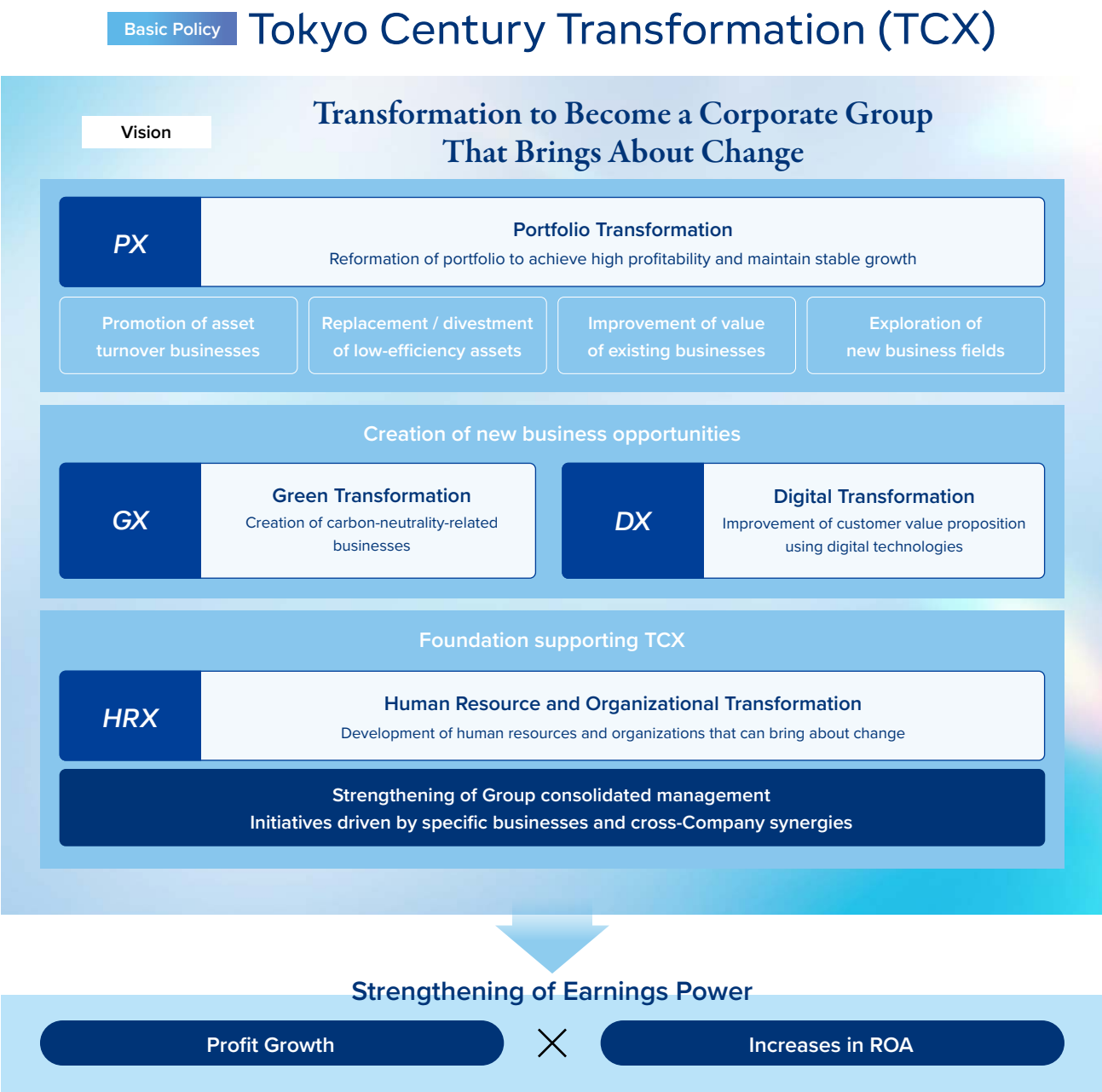
*1 For “input” and “business activities,” please refer to the Tokyo Century Group’s Value Creation Process section on pages 22–23.
*2 Assets and services provided in business activities

Materiality (Key Issues): Key Indicators, Targets, and Major Initiatives

Materiality (Key Issues)	Major Opportunities and Risks for the Company		Key Output KPIs*	Target (Target Year)	Results		Major Initiatives to Address Materiality (Key Issues)
					FY2023	FY2024	
<div>Contribution to decarbonized society</div> <div></div>	+	Expansion of scope of renewable energy and other environment-related businesses	Contract value, etc. (lease contract value, financing amount, investment amount, etc.)	—	¥344.7 billion	¥324.0 billion	<div>Promotion of the Kitakyushu Model to support decarbonization efforts of local governments</div> <p>Tokyo Century drives the development of the Kitakyushu Model, an advanced regional model for realizing a decarbonized society, with the City of Kitakyushu. Through a public-private partnership, we promote support for EV adoption by local companies, installation of solar power generation equipment at public facilities, and circular use of batteries. By combining our finance and service functions with solutions to regional issues, we aim to create a pioneering model of sustainable community development that is scalable to other regions.</p>
			Ratio of electrified vehicles (EVs, FCEVs, PHEVs, and HVs)	—	20.3%	22.4%	
	—	Emergence of stranded assets with high greenhouse gas emissions	Ratio of fuel-efficient aircraft among the aviation business's (ACG) assets	72.0% (December 31, 2025)	61.9%	66.3%	
			Power generation capacity of renewable energy facilities NEW	—	888 MW	1,079 MW	
<div>Creation of new businesses driven by technical innovation</div> <div></div>	+	Improvement of customer value propositions using digital technologies					<div>Investment in GO Drive, a provider of next-generation AI dashcam services</div> <p>We have made a joint investment with ZENRIN CO., LTD. in GO Drive Inc. GO Drive was established by GO Inc., the provider of the GO taxi app. The company offers DRIVE CHART, a next-generation AI dashcam service that helps reduce accidents, among others. It aims to co-create innovative, value-added services that help solve customer issues by creating a data business.</p>
	—	Diminishment of customer value propositions due to obsolescence of existing business models	Continued certification under METI's DX Certification system	Continued certification under METI's DX Certification system	Continued certification under METI's DX Certification system Selected as a Noteworthy DX Company 2024 in May 2024		
<div>Contribution to social infrastructure development</div> <div></div>	+	Expansion of customer value propositions through utilization of social infrastructure assets indispensable to daily life	Contract value, etc. (lease contract value, financing amount, investment amount, etc.)	—	¥641.2 billion	¥568.4 billion	<div>Commencement of joint development of an eco-friendly hotel in Singapore</div> <p>We began joint development of Hotel Indigo Changi Airport at Singapore's Changi International Airport Terminal 2 with OUE Limited, a leading Singapore-based real estate development and healthcare company. By incorporating sustainable features such as solar panels, we aim to develop Singapore's first zero-energy hotel that reduces environmental impact.</p>
			Number of rental cars owned	—	35,000	35,000	
	—	Emergence of stranded assets due to deterioration of social infrastructure	Ratio of rental cars equipped with safety features (automated brakes, etc.)	—	97.4%	99.4%	
			Number of vehicles with telematics services	—	88,000	89,000	
<div>Sustainable resource use</div> <div></div>	+	Increased range of business opportunities related to a circular economy focused on the value of assets	Contract value, etc. (lease contract value, financing amount, investment amount, etc.)	—	¥473.0 billion	¥481.9 billion	<div>Commencement of demonstration tests with Kansai Electric Power for the utilization of used EV storage batteries</div> <p>We began demonstration tests with The Kansai Electric Power Company, Incorporated on a storage battery system utilizing used EV batteries. To prepare for the large quantities of used EV batteries expected in the future, we will accumulate know-how on the operation and maintenance of stationary storage battery systems. At the same time, we will identify challenges and consider solutions for system expansion and commercialization.</p>
			Number of secondhand computers sold	More than 508,000 (fiscal 2025)	351,000	425,000	
	—	Higher costs related to waste processing Damage to reputation due to environmental pollution	Number of units handled by ITAD services	1,700,000 (fiscal 2025)	1,695,000	1,648,000	
<div>Enhancement of work environment, leading to strengthening of human resources</div> <div></div>	+	Recruitment of diverse human resources	Ratio of women among new-graduate hires	Maintain at least 40% (fiscal 2027)	53.2%	40.4%	<div>Development and enhancement of the office environment</div> <p>We have designed our headquarters and other offices with a layout specifically intended to foster interaction and communication. We provide a variety of spaces, including areas for casual discussions, open lounges, and café areas for relaxation. We have also installed private dining-style and teleconference booths. These help foster a workplace environment where all officers and employees can feel energized and productive.</p>
		Revitalization of human resources by improving employee engagement	Ratio of female managers among all managers	30% or higher (fiscal 2030)	12.0%	13.7%	
		Loss of talented human resources	Rate of childcare leave acquisition by male employees	Maintain 100%	100%	100%	
	—	Difficulty in securing human resources due to an unattractive work environment		Improve engagement score (fiscal 2027)	53.2 BB	56.2 BBB	
		Lack of innovation	Engagement score				

* For details on KPIs related to our materiality (key issues), please also refer to the Materiality section on our corporate website.
<https://www.tokyocentury.co.jp/en/sustainability/materiality/>

Progress of Medium-Term Management Plan 2027

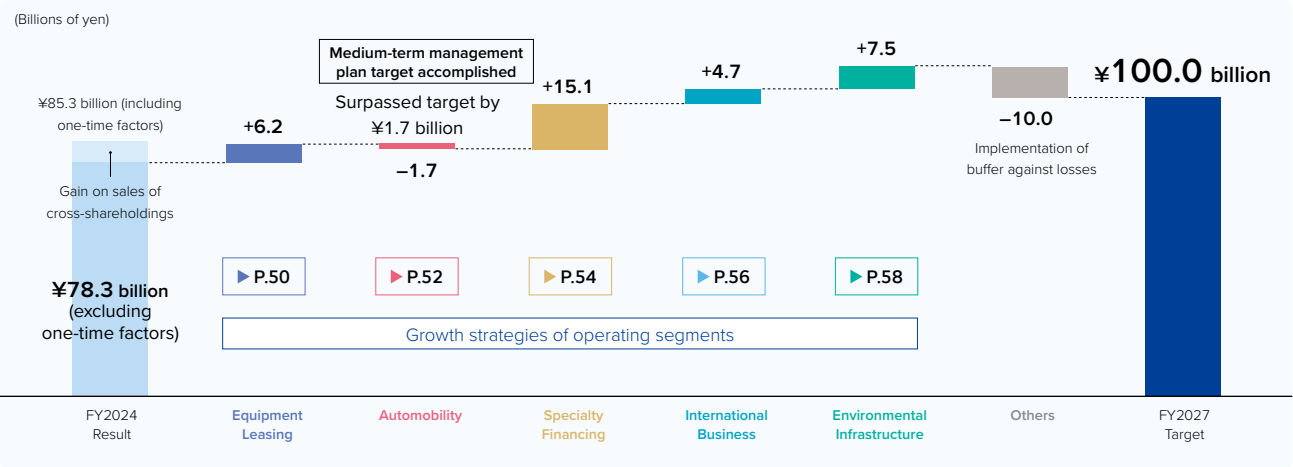


Financial and Non-Financial Targets and Results

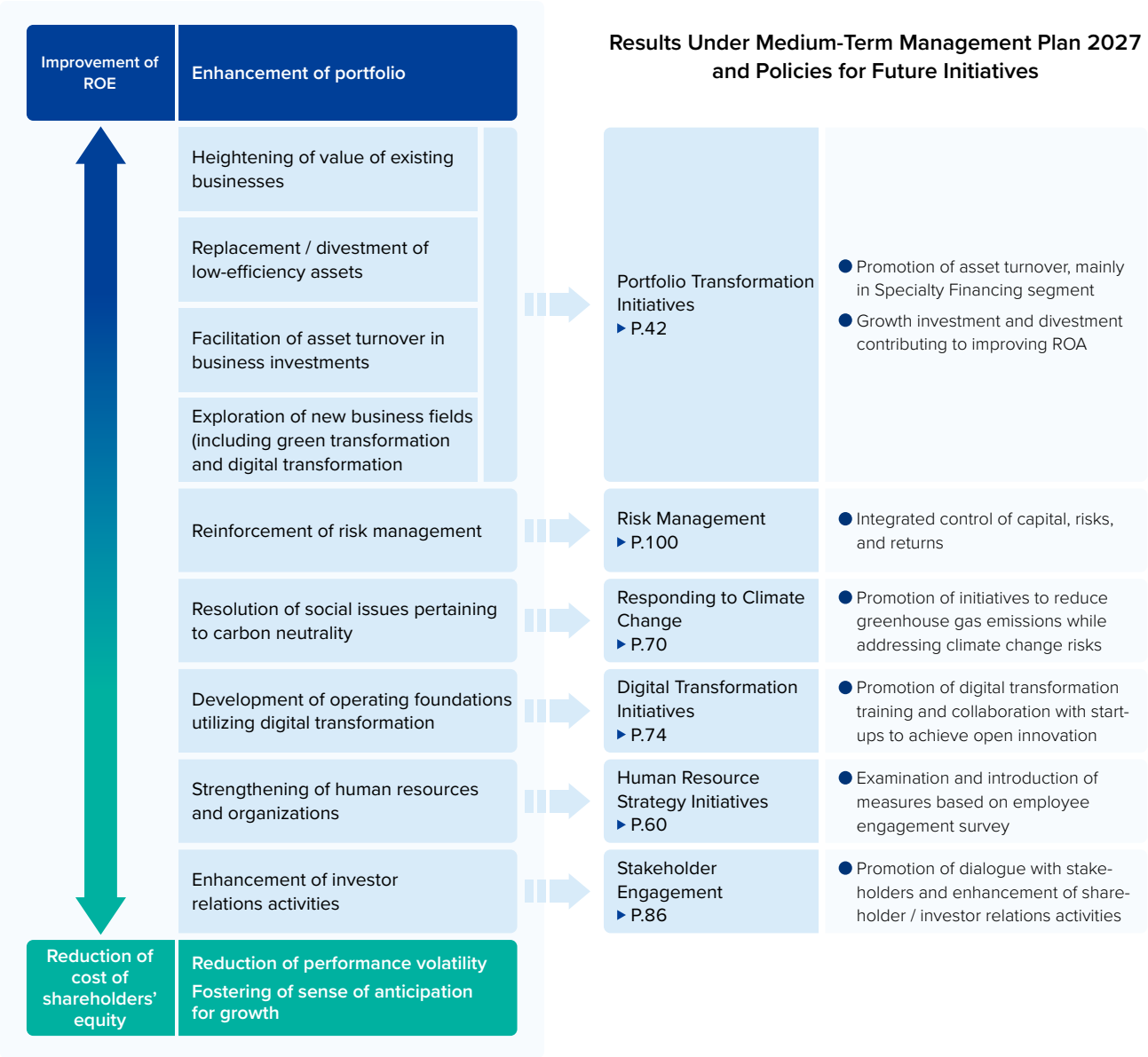
Financial Targets			Non-Financial Targets		
Item	Results (Fiscal 2024)	Targets (Fiscal 2027)	Item	Results (Fiscal 2024)	Targets (Fiscal 2027)
Net income attributable to owners of parent	¥85.3 billion	¥100.0 billion	Initiatives for realizing 50% greenhouse gas emissions reduction by fiscal 2030*1	—	33%–50%
ROA (ratio of net income to total assets)	1.3%	1.4%	Employee engagement index*2	Engagement Score 56.2 Rating BBB	Improvement in employee engagement
ROE	9.0%	10.0%			

*1 Target of a 50% reduction in greenhouse gas emissions by fiscal 2030 from base year of fiscal 2021 announced
*2 Measured using Motivation Cloud service provided by Link and Motivation Inc. since fiscal 2024; represented as deviation value from nationwide average of 50

Road Map Toward Financial Target for Net Income Attributable to Owners of Parent



Transformation for Raising PBR Above 1.0 Times



Transformation Pursuing a Highly Profitable and Stable Business Portfolio

In the course of its long-term corporate value improvement, Tokyo Century must pursue a highly profitable and stable business portfolio by improving asset and capital efficiency, reducing performance volatility, and achieving steady earnings growth. As the Company works toward the targets of return on assets (ROA) of 1.4% and return on equity (ROE) of 10% set for the final year of Medium-Term Management Plan 2027, it will push forward with portfolio transformation on a Companywide basis with a strong focus on income growth and ROA improvement.

Overview of Portfolio Transformation Initiatives

1. Promotion of Asset Turnover Businesses

Utilizing our discerning eye for the value of ICT equipment, aircraft, ships, real estate, and other assets, we will promote asset turnover businesses that entail investing in and selling assets at the ideal timing in order to build a quality portfolio.

2. Replacement and Divestment of Low-Efficiency Assets

Tokyo Century will conduct exhaustive qualitative assessments, looking at factors such as growth potential and risks, and quantitative assessments of ROA, return on invested capital (ROIC) spread, and other indicators. Through this process, we will replace low-profitability and low-efficiency assets with higher-quality assets in order to enhance its business portfolio.

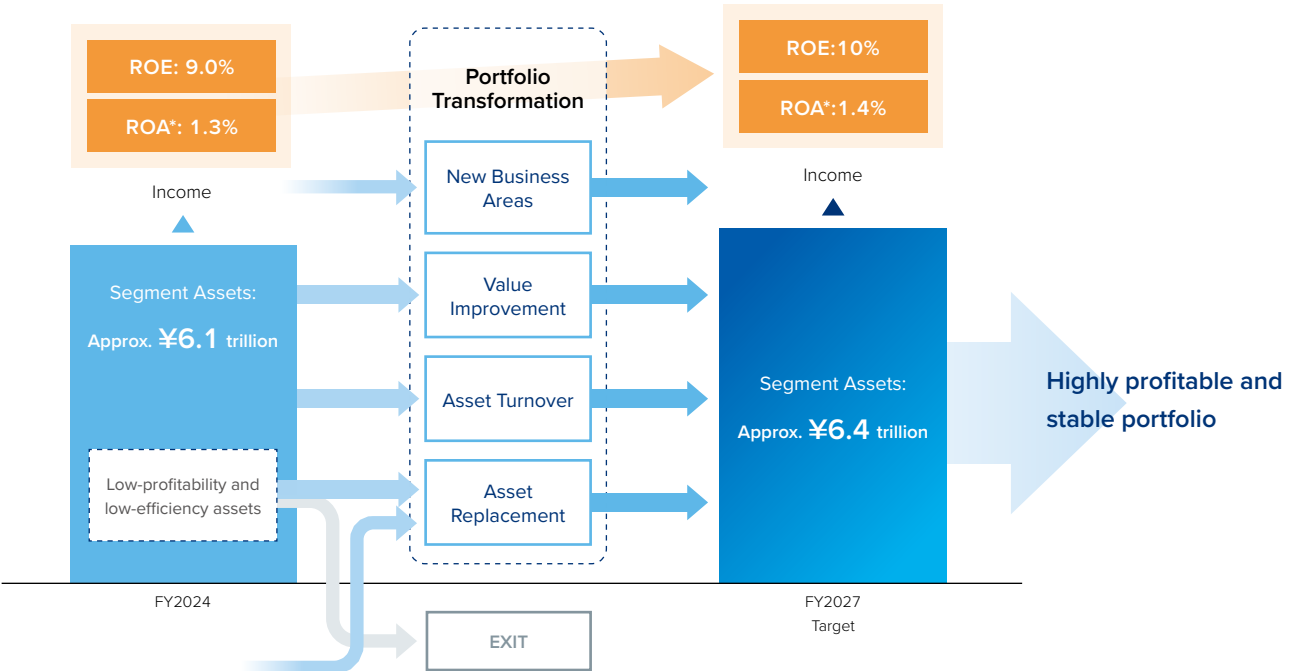
3. Improvement of Value of Existing Businesses

The business models of existing businesses will be reviewed to instill a focus on profitability and efficiency.

4. Exploration of New Business Fields

We will seek to develop new growth businesses through the Companywide acceleration of the implementation of our partnership strategy and of green transformation and digital transformation initiatives that contribute to the resolution of social issues.
Moreover, ongoing examinations will be conducted by operating segments as we aim to construct Companywide frameworks for investing in growth fields.

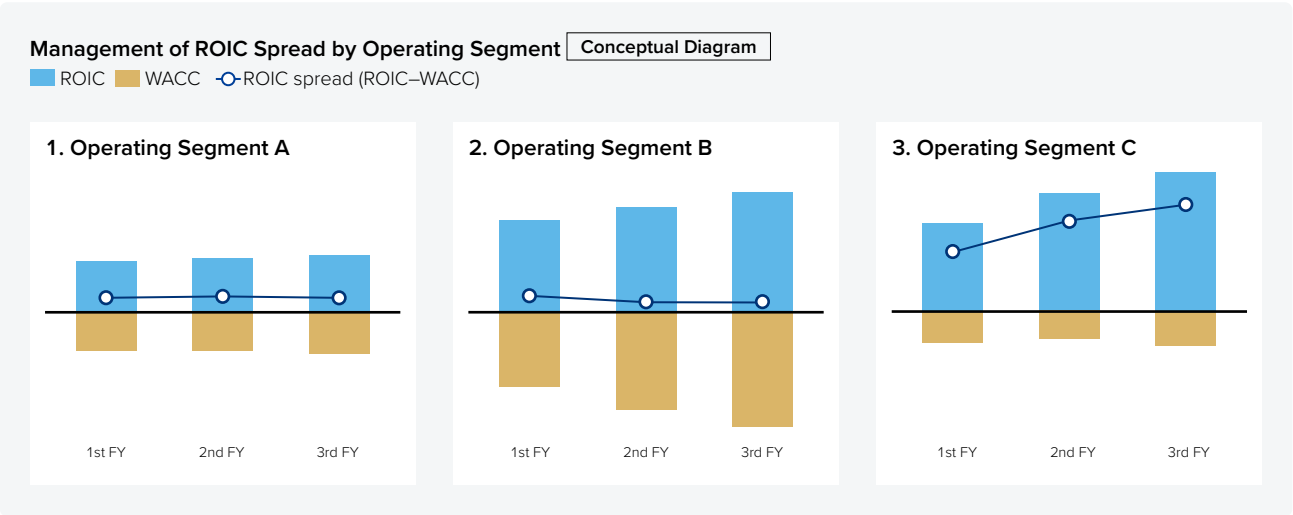
Portfolio Transformation



* Calculated as the ratio of net income to total assets

Enhancement of ROIC Monitoring in Operating Segments

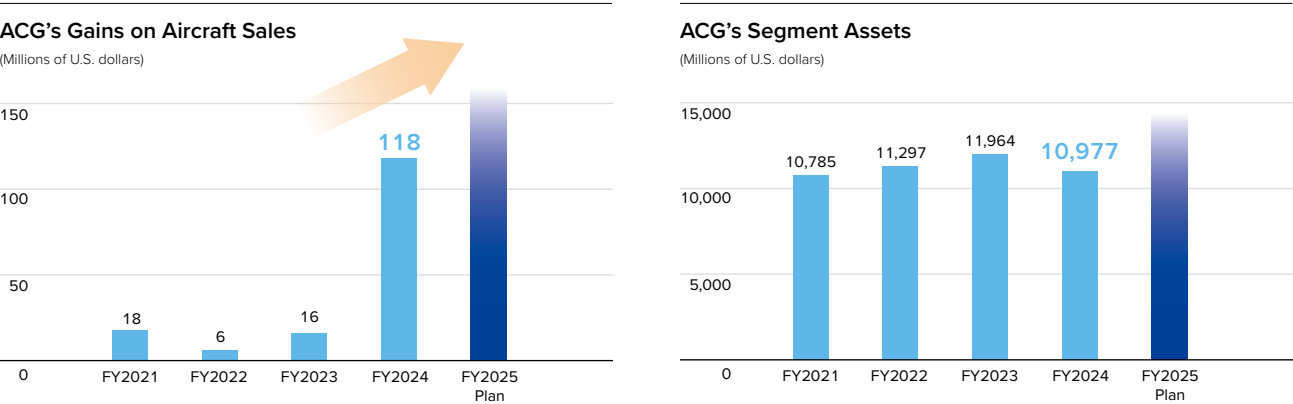
Tokyo Century regularly monitors the return on invested capital (ROIC) spread, which is ROIC less weighted average cost of capital (WACC), as a cost-of-capital-based indicator. This metric assesses the risk-and-return balance of specific business segments, accounting for their business and risk characteristics. This time-series monitoring approach also promotes management that emphasizes cost of capital along with sound financial discipline. Factors examined through this monitoring include whether an appropriate balance is being maintained between risks and returns in different operating segments and whether the necessary risks are being taken to generate value and drive growth. Under Medium-Term Management Plan 2027, the Company continues its cost-of-capital-focused approach to managing risks and returns. Since fiscal 2025, it has incorporated ROIC factors into the performance evaluation system for each business segment. Going forward, we will further enhance initiatives to improve capital efficiency, such as by incorporating these factors into portfolio allocation.



Initiatives Under Medium-Term Management Plan 2027

Promotion of Asset Turnover Businesses

In the aircraft leasing business, ACG is promoting asset recycling and realizing gains on aircraft sales, leveraging the global aircraft shortage. ACG saw a significant year-on-year increase in its gains on aircraft sales in fiscal 2024 and expects further increases in fiscal 2025. By acquiring aircraft (new deliveries, sale-and-leaseback, and secondary) concurrently with sales, we are maintaining an upward trend in segment assets—our source of profit.



Message from the President of the Corporate Planning Unit



Message

Tokyo Century will pursue ongoing improvements in corporate value through an emphasis on heightening capital profitability and achieving earnings growth via disciplined portfolio management.

Tatsuya Hirasaki
Director and Senior Managing Executive Officer
President, Corporate Planning Unit
President, Accounting Unit

In fiscal 2024, the second year of Medium-Term Management Plan 2027, Tokyo Century made progress in improving profitability through major measures such as heightening the value of existing operations and increasing asset turnover. The results of these efforts include net income attributable to owners of parent of ¥85.3 billion, making for our second consecutive year of record-breaking income, as well as return on equity (ROE) of 9.0%, a year-on-year increase of 0.2 percentage point. For fiscal 2025, we are projecting net income attributable to owners of parent of ¥93.0 billion, which will represent smooth progress toward the financial target of ¥100.0 billion set for fiscal 2027 in the medium-term management plan.

However, I recognize that in fiscal 2024, we were unable to conduct a sufficient number of growth investments that promise significant returns and that are in keeping with Tokyo Century’s growth story.

Consolidated Financial Performance

(Billions of yen)	Fiscal 2023	Fiscal 2024	Year-on-Year Change	Fiscal 2025 (Forecast)
Ordinary income	117.3	132.3	+15.0	—
Net income attributable to owners of parent	72.1	85.3	+13.1	93.0
Segment assets	5,720.4	6,059.9	+339.4	
Shareholders' equity	872.2	1,029.6	+157.4	
Return on assets	1.2%	1.3%	+0.1 pt	
Return on equity	8.8%	9.0%	+0.2 pt	

Capital and Financial Strategies for Improving Corporate Value

Improving our price-to-book ratio (PBR) and heightening ROE are both important commitments that we have made to our shareholders and investors.

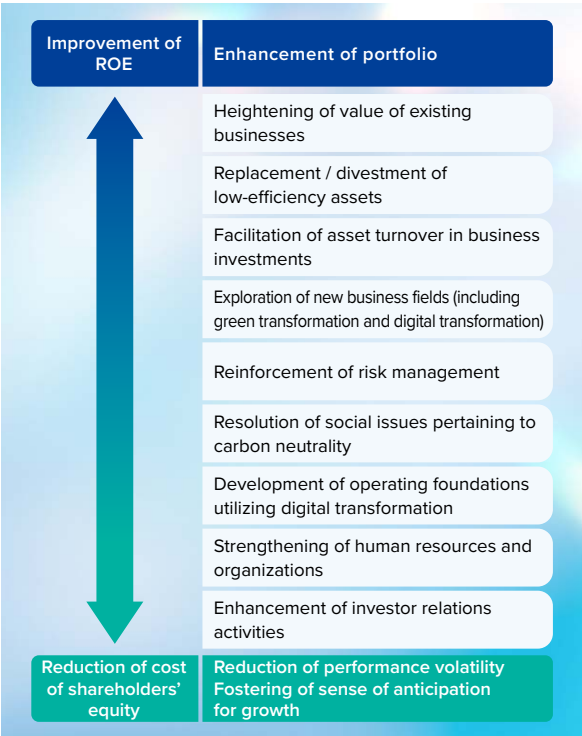
Tokyo Century seeks to quickly recover its PBR to above 1.0 times, reach ROE of more than 10%, and achieve a positive equity spread. These goals will be pursued through management emphasizing cost of capital and share prices. Our focus will be on measures for improving corporate value by heightening capital profitability and reducing cost of shareholders’ equity.

A crucial part of heightening capital profitability, one focus of our measures for improving corporate value, will be to reinforce our business portfolio. For this reason, we will be using the cash generated through existing businesses and the funds created via strategic divestment of low-efficiency assets to reinvest in growth fields that promise high profitability. In such ways, as well as through increases in asset turnover, we will seek to improve ROE and achieve ongoing growth in net income attributable to owners of parent.

As for reducing cost of shareholders’ equity, the other focus of our measures for improving corporate value, we will turn our attention toward the enhancement of non-financial capital. Specific efforts will include building sophisticated risk management frameworks, promoting human capital management, and ramping up highly transparent investor relations activities. Through these efforts, we hope to gain the trust of the market and have our business accurately evaluated.

Tokyo Century is currently in a stage of growth. Accordingly, we do not project that we will fall into a so-called diminishing equilibrium in which the amount of

Transformation for Raising PBR Above 1.0 Times



capital that we are able to allocate to growth investments will deplete. Rather, we will be heightening capital efficiency to strengthen our earnings power.

I would now like to explain some of the concrete measures we are advancing in this regard and describe the current operating conditions that are affecting these measures.

Current Operating Conditions Pertaining to Management Emphasizing Cost of Capital and Share Prices

When meeting with an investor in 2024, I remember being told that Tokyo Century was not surprising the market as much as it had been previously. This comment was made in the context of a comparison between the past and present performance of Tokyo Century—the Company maintained a PBR of above 1.0 times from the 2009 merger to the COVID-19 pandemic, but currently has a PBR of less than 1.0 times.

Previously, Tokyo Century achieved smooth and ongoing improvements in performance by branching out from the financing and leasing operations it has been developing since its founding. As part of this process, we broadened the scope of our operations to include automobiles, real estate, ships, aircraft, and other business areas dependent on the value of assets. We also actively engaged in M&A activities to differentiate our business model from those of our peers.

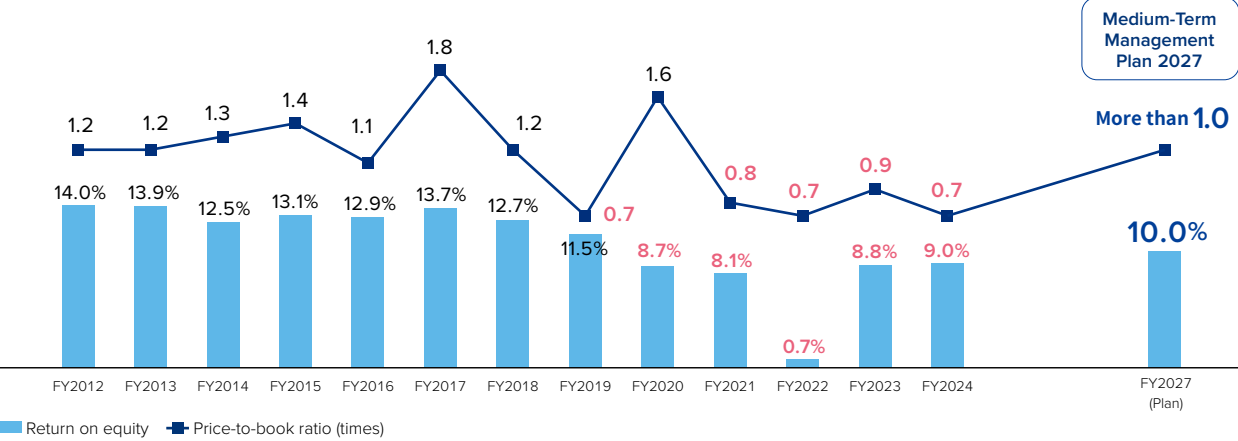
Notable successes achieved through this process include the conversion of Aviation Capital Group LLC (ACG), a U.S.-based aircraft leasing company that serves airlines around the world, into a consolidated subsidiary; the conclusion of a capital and business alliance with the NTT Group; and the establishment of NTT TC Leasing Co., Ltd. as part of this alliance.

However, we later found ourselves being impacted by emerging risks, such as the COVID-19 pandemic and the Russian invasion of Ukraine. These risks led to losses on impairment and debt defaults that totaled ¥160.0 billion over the period spanning from fiscal 2020 to fiscal 2022. One prominent loss was the U.S.\$575 million loss associated with Russia recorded by ACG in fiscal 2022.

These losses, combined with the decline in aircraft prices,

Message from the President of the Corporate Planning Unit

ROE and PBR Targets of Medium-Term Management Plan 2027

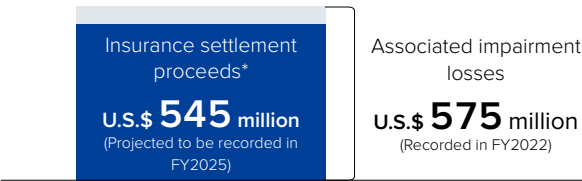


caused our capital use rate (Total risk amount / Consolidated economic capital)—a key risk indicator in our enterprise risk management (ERM) framework—to rise to the soft limit guideline of 75%. This prompted us to prioritize the enhancement of risk management frameworks and the health of our asset portfolio. At the same time, we saw changes to the M&A market, which limited the number of potential acquisitions that met our requirements for anticipated returns. The result was a temporary slow-down in growth investments. This invited a fall in expectations of the market regarding Tokyo Century's growth and was likely one reason why our PBR has recently been below 1.0 times.

With regard to the extraordinary losses recorded by ACG, legal proceedings conducted in California requesting that insurance companies make the insurance settlement

payments required by our insurance policies reached a settlement in fiscal 2025. As a result, an amount of U.S.\$545 million, or roughly 95% of the initial amount of these losses, is expected to be recorded as extraordinary income in the full-year financial statements for fiscal 2025.

Insurance Settlement Proceeds from Legal Proceedings Related to the Exposure to Russian Airlines (As of September 30, 2025)



* Total amount of insurance settlement proceeds from war risk insurers subject to legal proceedings in California

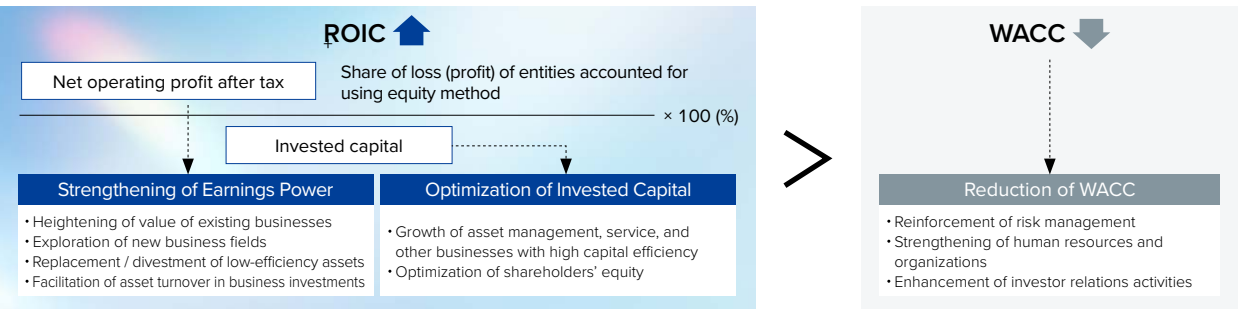
Organization-Wide Emphasis on Cost of Capital and Optimal Allocation of Capital and Risks

If we hope to achieve ROE that surpasses the level of 10% targeted by Medium-Term Management Plan 2027, increasing the scale of our asset portfolio alone will be insufficient; we must transform our business portfolio to be even more profitable. For this reason, Tokyo Century is placing emphasis on return on invested capital (ROIC), an indicator that reflects cost of capital, risks, and returns. As one facet of this approach, ROIC spread was introduced to the frameworks for assessing performance on an individual operating segment basis in fiscal 2025. With consideration paid to the structure of Tokyo Century's businesses, we will seek to create an ROIC spread that entails ROIC

surpassing weighted average cost of capital in all operating segments. This approach is anticipated to heighten awareness regarding capital efficiency across all operating segments and drive improved ROE on a Companywide basis. Measures to optimize our portfolio are currently being accelerated based on this approach toward capital allocation. We will in particular devote our efforts to growing operations in business fields that promise significant future potential in terms of ROIC spread and cash flow generation. Examples of these businesses include data centers, storage batteries, and principal investment.

P.43 Enhancement of ROIC Monitoring by Operating Segments

Improvement of ROIC and ROIC Spread (ROIC–WACC)



Ongoing Quest to Strengthen Earnings Power

As we seek to transform our business portfolio to drive growth, we will need to further enhance our value creation process, which is born of two strengths: our refined ability to discern the value of assets and the partnership strategy that represents Tokyo Century's unique core competence. Over the years, we have continued to maximize our potential business value by combining the expertise of partners with Tokyo Century's asset-based insight pertaining to financing, businesses, and investments. Through this approach, we have created businesses together with prime partners such as the NTT Group and ITOCHU Corporation, whose operations are highly compatible with Tokyo Century's key businesses.

One area where we are engaging in such partnerships is social infrastructure. Together with the NTT Group, which itself is engaged in communications and various other infrastructure businesses, we are developing data center projects in the United States and India. Data centers are a piece of digital infrastructure expected to see substantial growth in the future. Our operations in this field are made possible by combining the NTT Group's insight with Tokyo Century's financial functions. In addition, both companies have a long history of supporting safety and peace of mind in corporate fleet operation in the mobility infrastructure field through the joint venture Nippon Car Solutions Co., Ltd. We are thereby cementing our foundations for future growth in the automotive industry, which currently finds itself in a once-in-a-century period of change. We have also commenced investment in autonomous driving technology leader May Mobility, Inc. of the United States. This strategic investment is geared toward growing our automobility operations by creating new business models and earnings opportunities in preparation for the advent of an autonomous driving society. Meanwhile, we are developing joint renewable energy businesses in the United States together with ITOCHU, a company involved in global-scale trading and infrastructure businesses. These joint efforts are based on the recognition that renewable energy is an area slated for ongoing growth due to the expansion of power infrastructure in the United States amid rising demand for electricity for data center and other applications. Looking

ahead, we will continue to seek out investment opportunities in areas where we stand to leverage the strengths of our partners and of Tokyo Century.

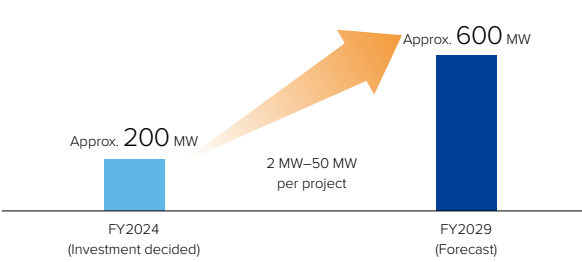
We are also making progress in efforts to strengthen earnings power in other businesses. In the Equipment Leasing segment, which handles businesses Tokyo Century has been engaged in since its founding, we are pairing the assets that customers lease with maintenance, communications, and other high-value-added services. These efforts are steadily realizing an upward trend in profitability versus costs.

Steady progress has also been seen in measures for increasing asset turnover in the Specialty Financing segment. For example, ACG has been selling aged aircraft in a timely manner in order to replace them with more profitable new-technology aircraft. This focus on asset turnover is contributing to higher ROA.

P.43 Promotion of Asset Turnover Businesses

Tokyo Century is also advancing development a step ahead of its peers in the growth area of storage batteries. Specifically, we have secured the commercial properties and power grid connection capacity, which are key to this business. This has allowed us to build a strong position for promptly commencing operations. Renewable energy output is affected by changes in natural conditions. Accordingly, the spread of renewable energy will of course stimulate growth in demand for the storage batteries needed to stabilize the supply of power from renewable sources. By securing the advantage of an early comer in this field, which will no doubt see growth in the future, we look to develop our operations therein as a core business for supporting the decarbonization of society.

Output of Underdevelopment Grid-Use Storage Batteries



M&A Activities and Strengthening of Risk Management Frameworks

I cannot deny the importance of building our portfolio of standalone projects. At the same time, we plan to take a proactive stance toward M&A activities to accelerate business speed. When selecting investees for this purpose, we

will prioritize important criteria like governance systems in addition to whether the expected returns are sufficient and if the company in question fits into our strategies.

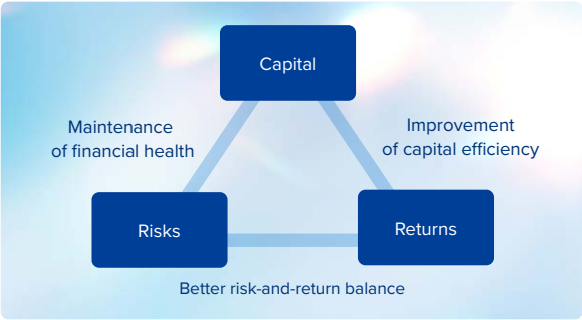
Taking appropriate risks is an essential part of promoting

Message from the President of the Corporate Planning Unit

sound growth investments. Tokyo Century has developed a comprehensive risk management framework for managing the types and amounts of risk exposure we accept and can tolerate, the returns expected from taking these risks, capital use rates, and other indicators of financial health. This framework is one facet of our efforts to enhance risk management. Through integrated monitoring and control of capital, risks, and returns, we look to spur ongoing business growth and build a healthy business portfolio.

P.100 Major Risks, Management Frameworks, and Risk Management

Integrated Control of Capital, Risks, and Returns

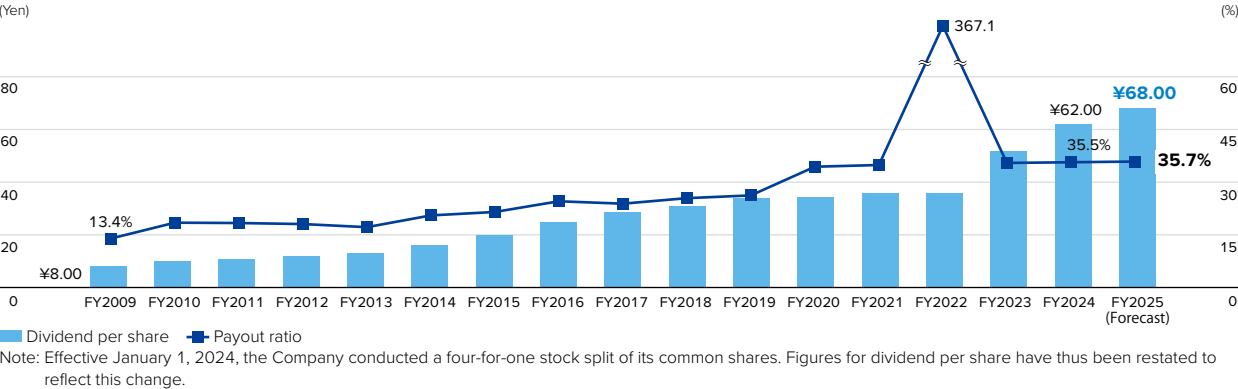


Cash Allocation and Shareholder Returns

Tokyo Century’s underlying cash flow allocation policy is to take risks to the greatest degree possible, while practicing rigorous risk management, to achieve ongoing growth. We currently have the benefit of a robust growth investment pipeline, and we will thus be prioritizing growth investments when allocating the cash flows we have generated. Our policy for shareholder returns is to target a payout ratio of 35% while steadily increasing return amounts through progressive increases in line with income growth. For fiscal

2024, we raised dividend payments by 19%, or ¥10.00 per share, making for total dividend payments of ¥62.00. This increase was decided in reflection of income growth. Going forward, Tokyo Century will continue to live up to shareholder expectations through improvements in corporate value fueled by ongoing growth investments and through enhancements to shareholder returns in conjunction with said improvements.

Dividend per Share and Payout Ratio



Enhancement of Organizational Structures and Human Capital to Support Future Growth

The growth of Tokyo Century’s income thus far has been driven by the priority allocation of management resources to commercial divisions for the purpose of achieving organic growth and promoting M&A activities. This approach, however, has led to income growth outpacing the rate of improvements in corporate functions. If we are to further improve corporate value and transition to the next growth stage, we will need to enhance our corporate functions to support this growth. Certain tasks must be addressed toward this end, one of which is the evolution of

operating processes. For this task, we are embracing AI. We have been taking a phased approach toward the introduction of AI up until this point. In April 2025, we chose to ramp up our use of these technologies through the Companywide introduction of Google Gemini and NotebookLM generative AI tools. We have since been encouraging employees to use these technologies on their own accord, and they have been rapidly adopted, with more than 80% of all employees currently utilizing these tools. The massive gains in efficiency in routine work, like

research and material preparation, are enabling employees to focus more on creative work that contributes to greater levels of value. Going forward, we will continue to tackle the task of introducing AI into our corporate functions in pursuit of higher levels of operational efficiency and quality.

P.74 Digital Transformation Strategies

At the same time, we are looking to enhance human capital. One of the targets of Medium-Term Management Plan 2027 is to conduct investments in human resource recruitment and development of more than ¥800 million by fiscal 2027. We are making full-fledged investments in human capital to move us toward the accomplishment of this goal. Presently, we recognize a need to revise our human resource systems to attract individuals with diverse experience and sophisticated expertise and help them deliver their maximum performance. This will be a vital part of accommodating the evolution and diversification of our business.

We also recognize that employee engagement is an important indicator, and we have thus been making a sustained, Companywide effort to achieve improvements in employee engagement. As a result, the employee engagement index was 56.2 (deviation value) in fiscal 2024, a year-on-year increase of 3.0. A noteworthy factor behind this increase was that we did not see a single decrease in the scores for any of the 128 items included in the employee engagement survey. This is clear evidence of how our efforts are being entrenched throughout all divisions across the Company, resulting in widespread improvements. Moving forward, we will utilize this objective data in dialogue across all divisions, driving a continuous improvement cycle—building on our strengths and addressing our weaknesses—to create an organization that supports employee ambitions.

P.60 Human Resource Strategies

Reduction of Cost of Shareholders’ Equity Through Enhanced Investor Relations Activities and Message for Shareholders and Investors

My mission in contributing to ongoing improvements in corporate value is to help create and expand a positive equity spread by limiting cost of shareholders’ equity to a level that is lower than ROE. Engagement with the capital market is an important part of my management approach toward accomplishing this goal.

In fiscal 2024, I focused on promoting both qualitative and quantitative improvements in our opportunities for engagement with capital market representatives. We thus had more than 250 meetings with individuals over the year. We also arranged a briefing on ACG’s business, which has been a subject of strong interest from investors and analysts. This online briefing featured an appearance by ACG CEO Thomas Baker, who joined from the ACG head office in Newport Beach, California. Attendees were thereby able to receive direct explanations on ACG’s measures for improving business profitability and its growth strategies. The briefing also served as a declaration of our commitment to increasing transparency in important businesses and practicing accountability by offering opportunities to receive explanations directly from the leaders of operating companies.

P.87 Investor Relations Activities



Online ACG business briefing

The valuable input and objective guidance gained through such engagement activities are regularly communicated to the Board of Directors and to the Management Meeting. We recognize that such feedback is incredibly important for both enhancing management strategies and increasing the effectiveness of management oversight functions.

We remain committed to the exhaustive provision of information for helping investors make accurate investment decisions and to the heightening of management transparency to ensure that Tokyo Century is always worthy of trust.

I would like to ask our shareholders and investors for their ongoing support of the Tokyo Century Group in the months and years to come.



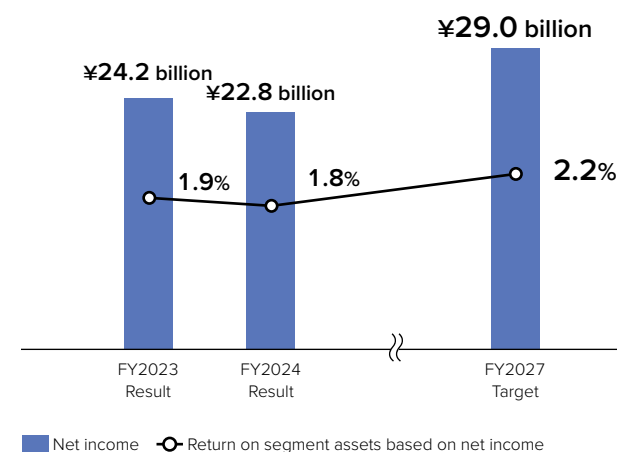
Growth Strategy by Operating Segment

EQUIPMENT LEASING



Koichiro Sato
Managing Executive Officer
President, Equipment Leasing
Business Development Unit

Profit Target of Medium-Term Management Plan 2027



ICT equipment leasing



ITAD services



Regional co-creation initiatives with municipalities

Strengths, Opportunities, Risks, and Growth Strategies

Strengths

- ➔ Excellent customer base of over 20,000 companies in Japan
- ➔ Diverse solution services in the leasing business
- ➔ Co-creative businesses with prime partners (ITOCHU, NTT, Fujitsu, NX Group, etc.)

Opportunities

- ➔ Increased demand for new technologies such as AI and digital transformation
- ➔ Increased demand for carbon-neutrality initiatives
- ➔ Environmental changes surrounding municipalities (decarbonization, etc.)
- ➔ Labor-saving needs due to labor shortages

Risks

- ➔ Rise in yen interest rates, exchange rate fluctuations
- ➔ Soaring resource prices, inflation
- ➔ Decrease in Japan's domestic population
- ➔ Changes in lease accounting standards (operating leases brought onto the balance sheet)

Growth Strategies

- ➔ Innovative solutions will be expanded to add value to the existing leasing business.
- ➔ Resources will be effectively allocated to strategic growth areas (the intersection of fields that have high potential for collaboration with close partners and growth areas).
- ➔ On a Groupwide basis, business growth will be pursued by enhancing integrated Group management, increasing collaborative projects, and sharing resources.
- ➔ EPC Japan's high-quality ITAD services* and other solutions will be offered, contributing to addressing social issues.
- ➔ The organization will be restructured to enhance the sales structure and conduct more efficient sales activities.

* Services for disposing of IT assets safely and appropriately

Key Issues and Initiatives for Improving Profitability

Value Improvement of Existing Businesses

- ➔ Expansion of customer and partner bases
- ➔ Increase in high-value-added projects by proposing diverse solutions

Business Creation in New Areas (Including Green Transformation and Digital Transformation)

- ➔ Accelerated accumulation of prime assets, focusing on storage batteries, environmental projects for municipalities, the digital domain, and PC replacement demand
- ➔ Development of joint projects in strategic growth areas with close partners

Enhancement of Talent and Organizational Capability

- ➔ Establishment of a highly efficient and resilient organization
- ➔ Improvement of sales productivity by utilizing AI
- ➔ Improvement of sales skills through unique training and knowledge sharing

Vision for the Portfolio

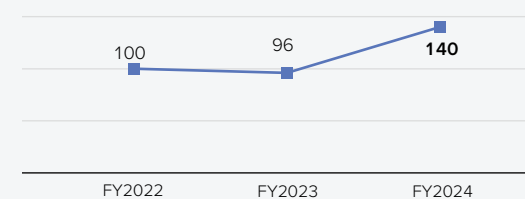
Growth in affiliate profits from integrated Group management and spread improvements exceeding rising yen interest rate costs

- ➔ On a non-consolidated basis, we will ensure our spreads* exceed the costs of rising yen interest rates by increasing high-value-added projects through diverse solution proposals.

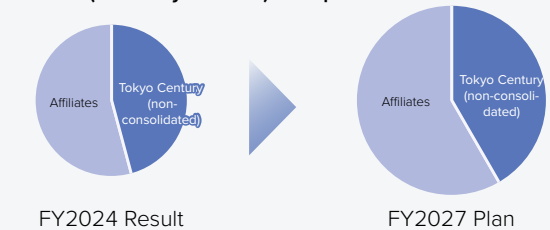
* Spreads: The margin calculated by deducting internal costs, such as market interest rates and SG&A expenses, from revenue

- ➔ We will promote integrated Group management with affiliated companies and enhance their sales capabilities and operational efficiency through collaborative projects and resource sharing, aiming to expand earnings.

Spread Index on a Non-Consolidated Basis (FY2022 = 100)



Portfolio (Ordinary Income) Composition Ratio



Focus Areas

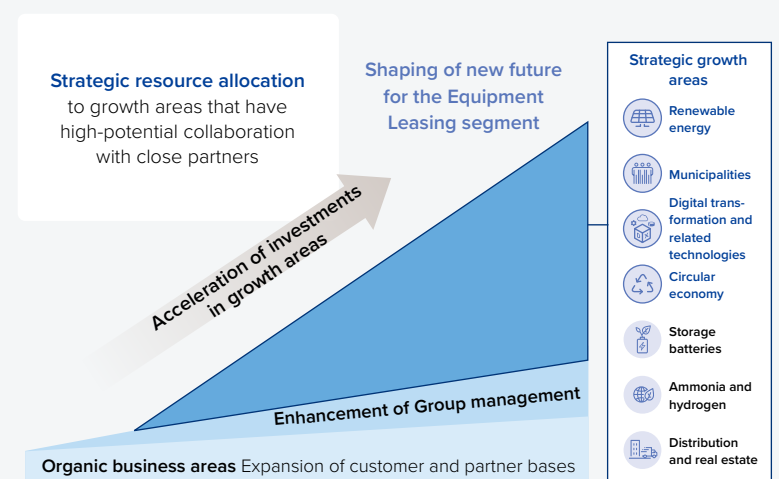
Promotion of partnership strategy and concentrated resource allocation to strategic growth areas

- ➔ Strategic growth areas—defined as the intersection of fields that have high potential for collaboration with close partners and growth areas—comprise the following seven areas: renewable energy, municipalities, digital transformation and related technologies, circular economy, storage batteries, ammonia and hydrogen, and distribution and real estate.

- ➔ Our primary focus is on projects in renewable energy, those for municipalities, and those in the digital domain capturing PC replacement demand.

- ➔ We are also expanding the provision of world-class ITAD services centered on EPC Japan for the circular economy.

Promotion of Partnership Strategy and Cultivation of Areas of Expertise



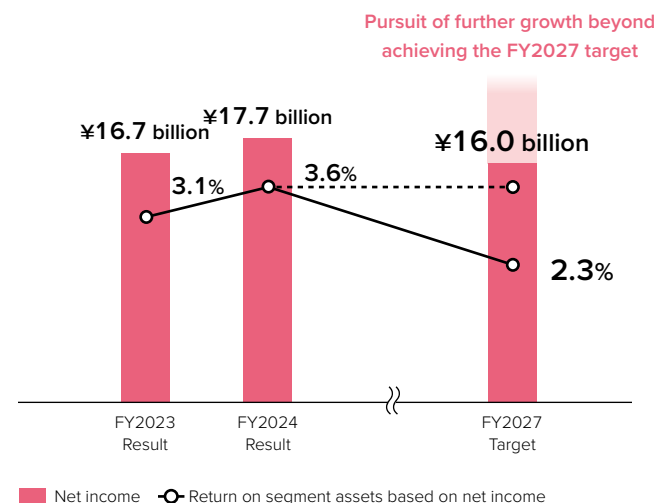
Growth Strategy by Operating Segment

AUTOMOBILITY



Masaaki Teragami
Executive Officer
Senior Managing Executive Officer
President, Automobility Business
Development Unit

Profit Target of Medium-Term Management Plan 2027



Nippon Car Solutions Co., Ltd. (NCS)



Nippon Rent-A-Car Service, Inc. (NRS)



Orico Auto Leasing Co., Ltd. (OAL)

Strengths, Opportunities, Risks, and Growth Strategies

Strengths

- ➔ A rich portfolio of auto leasing for individuals and companies and car rental services
- ➔ An industry-leading fleet size
- ➔ Diverse channels including the NTT Group, the Mizuho Group, and the ITOCHU Group
- ➔ Partnerships with leading companies in next-generation mobility services

Opportunities

- ➔ Expansion of business models (advancement of new technologies such as autonomous driving and EVs)
- ➔ Advancement of digital technologies that enable customer value creation
- ➔ Shift in usage patterns from ownership to use
- ➔ Growth of the personal auto leasing market
- ➔ Increased and diversified demand for mobility, including from inbound tourism

Risks

- ➔ Intensified competition beyond business categories, such as an increase in new entrants to the mobility field
- ➔ Rise in personnel, property, funding, and material costs
- ➔ Labor shortage due to population decline (mechanics, sales staff, drivers, etc.)
- ➔ Supply chain disruptions due to increased geopolitical risks and other reasons
- ➔ Fluctuations in the used car market

Growth Strategies

- ➔ Deepening and refinement of existing businesses
 - Nippon Car Solutions (NCS) : Sales capabilities will be enhanced by expanding decarbonization products and utilizing channels, and businesses will be expanded strategically through M&A and other means.
 - Nippon Rent-A-Car Service (NRS) : Sustainable growth will be pursued through employee happiness (EH) and customer happiness (CH). Initiatives will include optimal operation of stores, vehicles, and pricing, as well as enhancement of customer services and operational efficiency using digital technologies.
 - Orico Auto Leasing (OAL) : Sales capabilities will be enhanced through further collaboration with Orient Corporation.
- ➔ Promotion and creation of next-generation and new businesses
 - The creation of new businesses will be pursued, along with the exploration of services that complement the functions of existing businesses, including through M&A.
 - New investments and collaboration with partners will be accelerated in focus areas (such as aftermarket including EVs, autonomous driving, and maintenance).

Key Issues and Initiatives for Improving Profitability

Value Improvement of Existing Businesses

- ➔ NCS: Development of new services, growth through non-organic methods such as M&A, and sophistication of sales using digital technologies
- ➔ NRS: Branch renovation, strengthening of inbound services, and expansion of customer services such as app check-in
- ➔ OAL: Expansion of agency services through new product development, paperless processes, etc.

Business Creation in New Areas (Including Green Transformation and Digital Transformation)

- ➔ Creation of new businesses (including through M&A) in focus areas (such as aftermarket including EVs, autonomous driving, and maintenance)

Enhancement of Talent and Organizational Capability

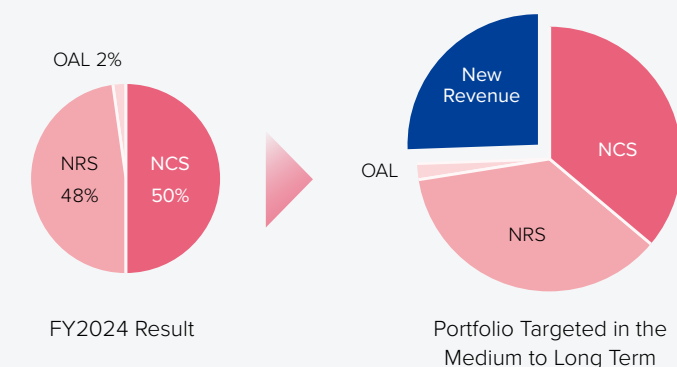
- ➔ Improvement of employee engagement such as by strengthening branding and promoting workstyle reforms
- ➔ Human resource development through enhancement of training and active investment in education

Vision for the Portfolio

Aiming to become the No.1 mobility service company by expanding existing businesses (NCS, NRS, OAL) and creating new ones

- ➔ We will implement the growth strategies of NCS, NRS, and OAL to achieve profit growth in each of their existing businesses. At the same time, we will create new businesses in focus areas (such as aftermarket including EVs, autonomous driving, and maintenance) and acquire new revenue through methods like M&A.

Portfolio (Ordinary Income) Composition Ratio

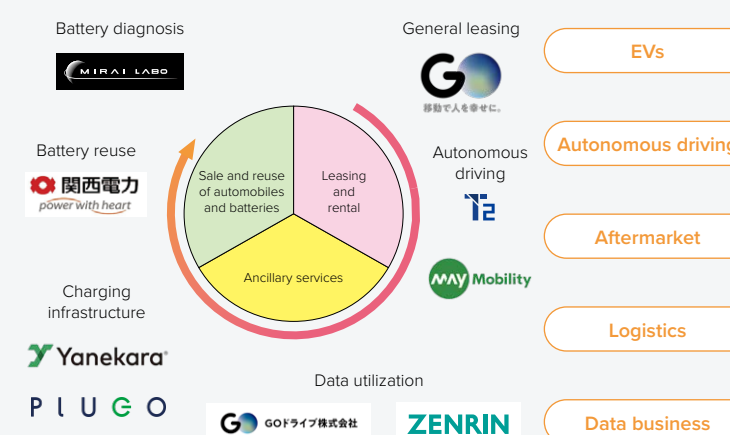


Focus Areas

Strengthening of the mobility service value chain in next-generation and new areas

- ➔ In the fields of EVs and autonomous driving, we do not limit ourselves to leasing by continuing to promote functional enhancements in collaboration with business partners in areas such as charging, fleet management, energy management, and battery reuse.
- ➔ By investing in GO Drive, a next-generation AI dashcam services provider, we aim to co-create innovative, value-added services that help resolve customer issues in the age of SDV* mobility through the creation of data businesses.

Enhancement of Mobility Service Value Chain



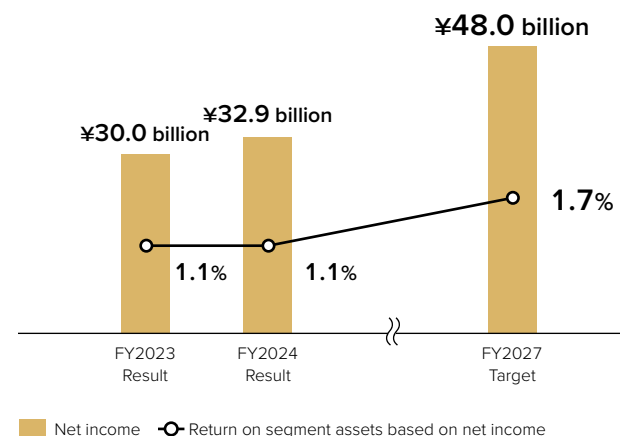
* SDV: Software Defined Vehicle, a vehicle whose functions and performance are controlled and updated by software

Growth Strategy by Operating Segment

SPECIALTY
FINANCING

Mahoko Hara
Director and Senior Managing
Executive Officer
President, Specialty Finance
Business Development Unit

Profit Target of Medium-Term Management Plan 2027



Aircraft leasing



Real estate business (Hotel Indigo Changi Airport)



Shipping

Strengths, Opportunities, Risks, and Growth Strategies

Strengths

- ➔ A high level of expertise in assessing asset value
- ➔ Provision of high-value-added, custom-made solutions tailored to customer needs
- ➔ A highly complementary business portfolio and strong relationships with prime partners

Opportunities

- ➔ Increase in M&A opportunities accompanying the trend of corporate restructuring and carve-outs
- ➔ Acquisition of business opportunities through contribution to a circular economy
- ➔ Expansion of business domains driven by the advancement of new technologies such as AI, digital transformation, and smart robotics
- ➔ Acquisition of highly skilled personnel by capturing the increase in talent mobility

Risks

- ➔ Fluctuations in the global situation and manifestation of geopolitical risks
- ➔ Persistently high U.S. interest rates and unstable exchange rate trends
- ➔ Price hikes due to supply chain disruptions

Growth Strategies

- ➔ Business domains will be expanded through active M&A and collaboration with prime partners.
- ➔ A broad value chain will be built, focused on asset life cycle management.
- ➔ Environmentally friendly finance and other services will be created and provided for a decarbonized society.

Key Issues and Initiatives for Improving Profitability

Value Improvement of Existing Businesses

- ➔ Restructuring for efficient sales
- ➔ Advancement of the asset management business
- ➔ Enhancement of operational efficiency and competitiveness via digital transformation

Acceleration of Asset Turnover and Evolution of Portfolio Management

- ➔ Drastic portfolio revision for the implementation of a future-oriented growth strategy
- ➔ Realization of asset value by capturing the market conditions of each asset
- ➔ Initiatives in finance projects that complement the J-curve

Enhancement of Talent and Organizational Capability

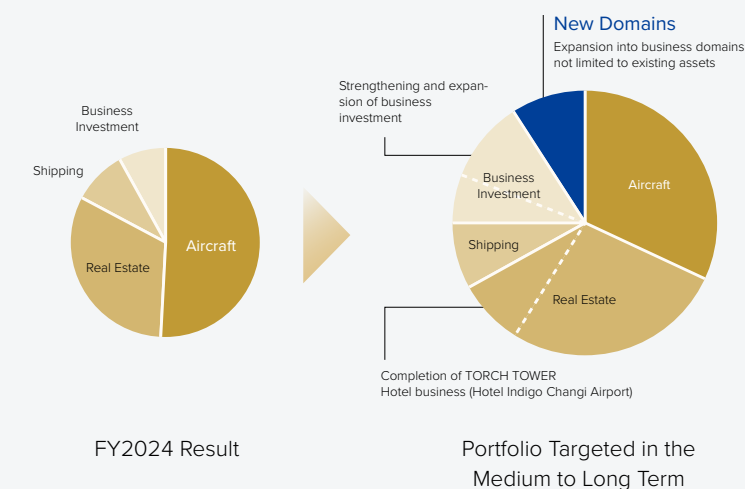
- ➔ Cultivation of employee self-transformation, creativity, and ambition
- ➔ Development of an inclusive workplace environment for diverse talent
- ➔ Enhancement of expertise through learning and reskilling opportunities

Vision for the Portfolio

Diversification of revenue sources

The Specialty Financing segment is accelerating the diversification of its revenue sources for stable medium- to long-term growth. Our initiatives include establishing new pillars of revenue (e.g., the development of TORCH TOWER, with completion scheduled for fiscal 2028), driving our overseas hotel business, and making strategic business investments. Through these initiatives, we have worked to increase revenues and expanded our portfolio. Going forward, we will leverage the expertise cultivated in asset management to actively pioneer new business areas, establishing a solid earnings base that contributes to sustainable corporate value improvement.

Portfolio (Ordinary Income) Composition Ratio



Focus Areas

Discontinuous growth through strategic partnerships and M&A

Building on strong partnerships with top players in each business field, we accelerate our engagement in large-scale projects in Japan and overseas and the creation of new business opportunities. Our initiatives include the real estate business with the NTT Group, joint business investment with Advantage Partners, and strategic M&A that capitalizes on the trend of corporate restructuring and carve-outs. Through these efforts, we are shifting our portfolio toward highly profitable business areas.

New growth through expertise and high-value-added solutions

Leveraging our deep expertise and discerning eye for asset value, we provide high-value-added solutions throughout the life cycle of aircraft, ships, real estate, and more. We strengthen our earnings power and accelerate sustainable growth by enhancing our investor appeal, utilizing external capital through the formation of loan and equity funds, and creating M&A opportunities.

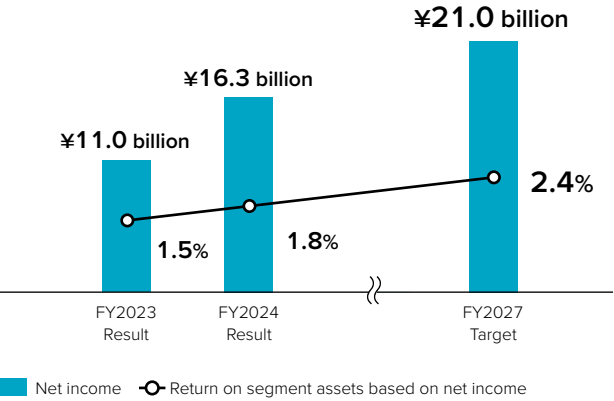
Growth Strategy by Operating Segment

INTERNATIONAL BUSINESS



Toshio Kitamura
Senior Managing Executive Officer
President, International Business
Development Unit

Profit Target of Medium-Term Management Plan 2027



IT equipment leasing (CSI)



Data center business



Transportation business (ZAXIS Finance)

Strengths, Opportunities, Risks, and Growth Strategies

Strengths

- ➔ A network spanning more than 30 countries and regions worldwide
- ➔ Joint businesses with shareholders and Japanese partners (ITOCHU, NTT, Hitachi Construction Machinery, Isuzu Motors, etc.)
- ➔ Partnerships with leading local companies and global corporations in various countries
- ➔ Fair market value (FMV) leasing of IT equipment and global-standard IT asset disposition (ITAD) services

Opportunities

- ➔ Expansion of data center demand with the spread of AI
- ➔ Increase in the number of IoT devices driven by the advancement of digitalization
- ➔ Growing demand for IT security
- ➔ Project creation through collaboration with prime partners
- ➔ Business creation in untapped markets

Risks

- ➔ Global economic uncertainty and the manifestation of geopolitical risks
- ➔ Rapid fluctuations in interest rates and exchange rates
- ➔ Intensified competition in business and securing human resources

Growth Strategies

- ➔ Deepening and strengthening of the IT business value chain
In the FMV lease and ITAD businesses, global standardization and world leadership will be promoted.
Through the promotion of collaboration with the NTT Group, the data center business and managed services will be expanded.
- ➔ Strengthening of the transportation business
Through the promotion of collaboration with manufacturers and partners, our businesses for passenger cars, commercial vehicles, construction machinery, etc., will be expanded globally.
- ➔ Utilization of strategic partnerships and active M&A

Key Issues and Initiatives for Improving Profitability

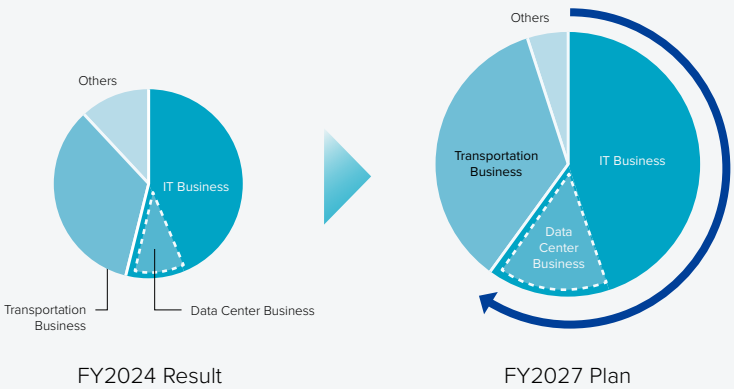
Value Improvement of Existing Businesses	<ul style="list-style-type: none">➔ Business expansion through active M&A➔ Acceleration of collaboration with partners➔ Expansion of high-value-added services
Asset Replacement / Divestment	<ul style="list-style-type: none">➔ Replacement with high-spread assets➔ Improvement of profitability through asset turnover➔ Improvement of asset efficiency by reviewing local business operations and pursuing deconsolidation
Enhancement of Talent and Organizational Capability	<ul style="list-style-type: none">➔ Recruitment of local talent at overseas offices and their appointment to management positions➔ Sophistication of the performance-based compensation system➔ Improvement of engagement through town hall meetings, etc.

Vision for the Portfolio

Strengthening of the earnings power of focus businesses through selection and concentration

- ➔ We will secure high profitability by focusing on initiatives in growth businesses and promoting differentiation. Particularly in the rapidly growing IT business, we will collaborate with prime partners to add value to existing businesses and make new investments, aiming to improve ROA and expand earnings through asset turnover.

Portfolio (Segment Assets) Composition Ratio



Focus Areas

Strengthening of IT and transportation businesses through partner collaboration and utilization of M&A

- ➔ The IT business focuses on expanding CSI's FMV lease and ITAD services, as well as data centers and managed services in collaboration with NTT.
- ➔ The transportation business is promoting digital transformation and enhancing services in the automobile domain, while expanding its target areas to include forklifts and special-purpose vehicles, in addition to construction machinery.

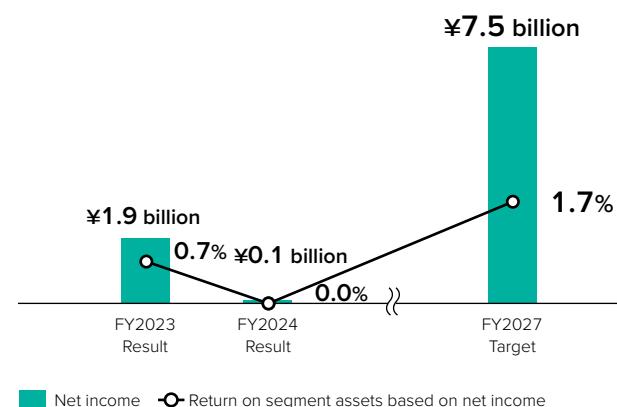
CSI	NTT	Isuzu Motors	Hitachi Construction Machinery	ITOCHU
With CSI, we pursue business expansion through operational diversification, including new market entry and global IT partnerships.	Our focus with NTT is on expanding U.S. and Indian data center and managed services, while developing profitable transactions with hyperscalers.	We are expanding the U.S. captive finance business with Isuzu and also established a new Australian joint venture in August 2025.	At our U.S. joint venture, ZAXIS, we are enhancing the captive finance business and driving global expansion, for example, into the ASEAN region.	We are exploring joint investment projects with ITOCHU.

Growth Strategy by Operating Segment

ENVIRONMENTAL
INFRASTRUCTURE

Makoto Nishino
Executive Officer
President, Environmental
Infrastructure Business
Development Unit

Profit Target of Medium-Term Management Plan 2027



Solar power generation



Storage batteries



Overseas renewable energy business

Strengths, Opportunities, Risks, and Growth Strategies

Strengths

- ➔ A stable earnings base from the operation of a solar power portfolio (approx. 1 GW) built up since the beginning of the FIT scheme
- ➔ Advanced asset management services based on a track record in the solar power generation business
- ➔ Accumulation of prime assets through collaboration with highly specialized prime partners (Kyocera, JFE Group, Kraftia (formerly Kyudenko), etc.)

Opportunities

- ➔ Growing social needs toward a decarbonized society
- ➔ Increased electricity demand due to digital technology innovation
- ➔ Earnings opportunities from national systems and policies, such as subsidies
- ➔ Spread of new renewable energy businesses

Risks

- ➔ Intensified competition from an increase in power producers
- ➔ Increased costs due to rising market interest rates and inflation
- ➔ Changes in geopolitical risks and environmental policy
- ➔ Damage and cost increases due to the intensification of extreme weather

Growth Strategies

- ➔ The storage battery business and asset management will be strengthened based on existing businesses centered on domestic solar power generation.
- ➔ Stable earnings will be secured by combining long-term holding and asset sales.
- ➔ Overseas renewable energy business will be developed based on our partnership strategy.
- ➔ The Group's environmental businesses will be driven by our active participation in new areas such as the grid-scale storage battery business.

Key Issues and Initiatives for Improving Profitability

Value Improvement of Existing Businesses

- ➔ Strengthening and expansion of the foundation of the domestic solar power generation business, our core business
- ➔ Enhancement of asset management functions through collaboration with A&Tm and other partners
- ➔ Accumulation of knowledge and construction of a business model by expanding the storage battery co-location business
- ➔ Balancing of new investment and performance by establishing an asset-turnover-based business model

Business Creation in New Areas (Including Green Transformation and Digital Transformation)

- ➔ Acceleration of investment in the grid-scale storage battery business, early start of operations, and project development
- ➔ Participation in overseas renewable energy projects from the development stage and advancement of related asset turnover
- ➔ Enhancement of functions by implementing M&A and partnership strategies to expand growth areas
- ➔ Business development in new technology areas such as next-generation solar cells (perovskite and chalcopyrite)
- ➔ Strengthening of initiatives in the environmental value creation business

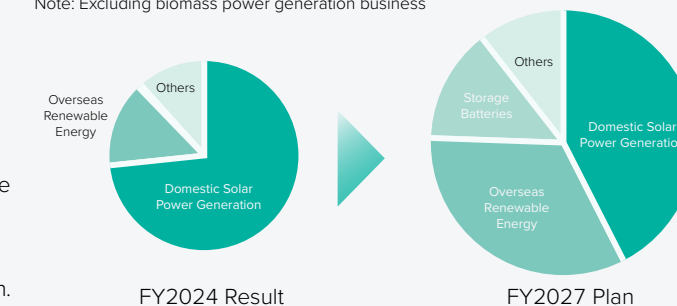
Enhancement of Talent and Organizational Capability

- ➔ Cultivation and acquisition of experts with business acumen and diverse perspectives
- ➔ Development of organizational resilience to market changes and diversifying customer needs
- ➔ Development of a Companywide business in the environmental sector

Vision for the Portfolio

Contribution to an environmentally sound, sustainable economy and society and creation of earnings opportunities

- ➔ Building on our strength in domestic solar assets, we will expand initiatives into key areas, such as storage batteries and overseas renewable energy. We will thereby pursue earnings opportunities in the rapidly changing business environment.
- ➔ We will also explore expansion into new technology and new fuel areas and promote portfolio optimization.

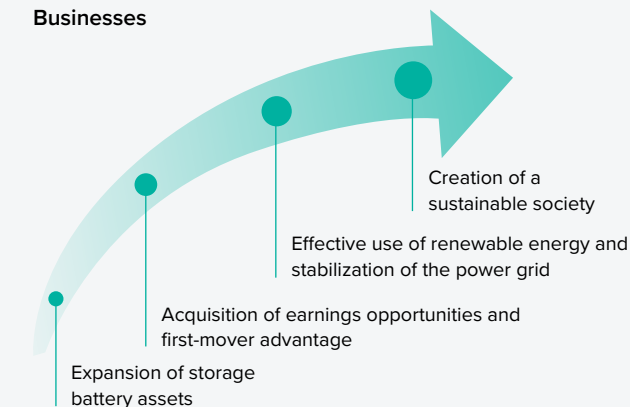
Portfolio (Segment Assets) Composition Ratio
Note: Excluding biomass power generation business

Focus Areas

Seeking to become a frontrunner in the storage battery and electricity trading markets

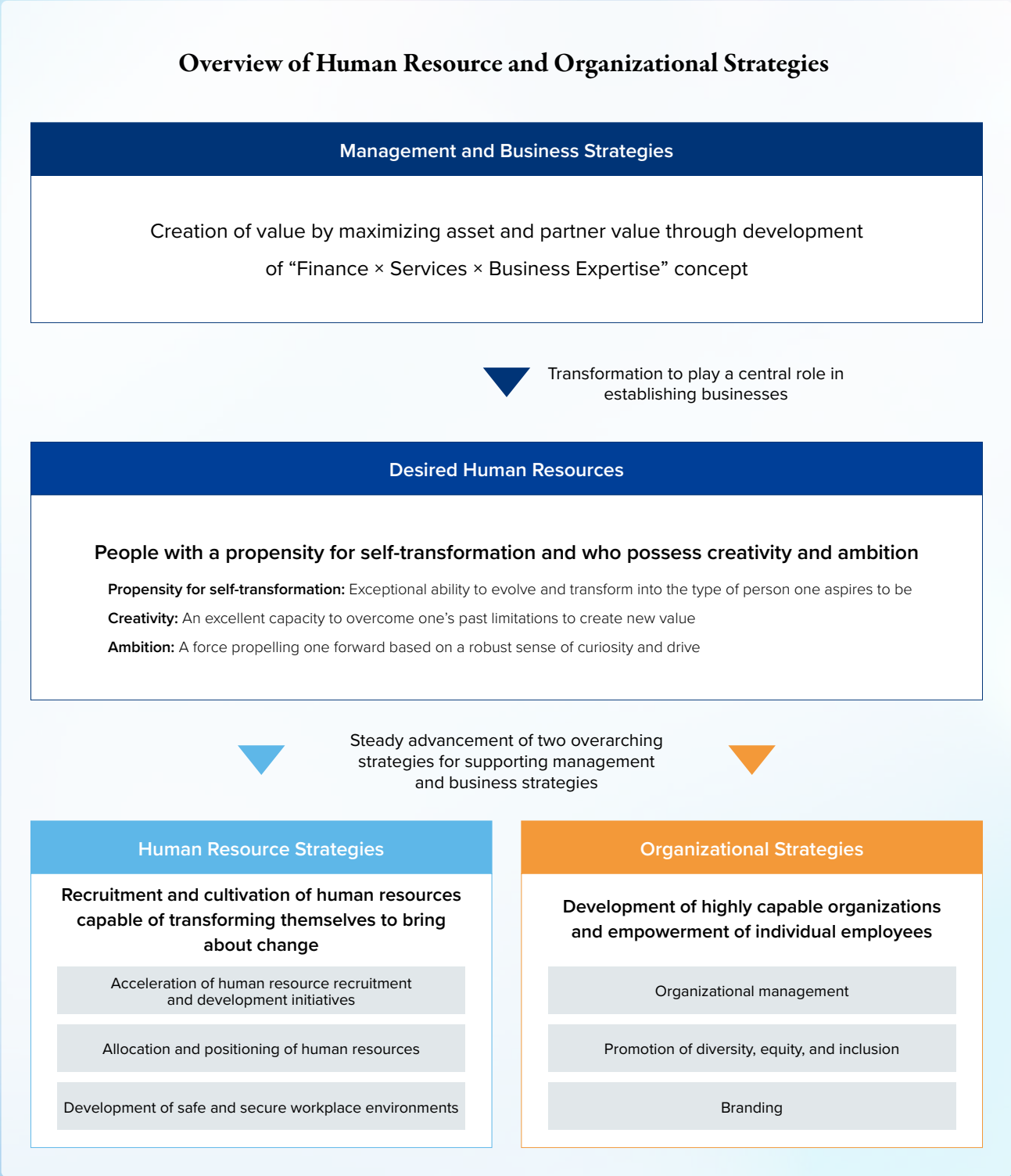
- ➔ We actively participate in the storage battery and electricity trading markets for profit maximization and further growth opportunities.
- ➔ Through maximization of renewable energy use and power grid stabilization, our initiatives contribute to creating a sustainable society.
- ➔ Our aim is to build expertise and achieve a first-mover advantage through active participation in the nascent grid-scale storage battery business.

Initiatives in the Storage Battery and Electricity Trading Businesses



Human Resource and Organizational Strategies

To execute its management and business strategies and respond to change, the Tokyo Century Group promotes the development of its human resources. We foster professionals who possess a propensity for self-transformation, creativity, and ambition and who can use their diverse expertise to create business and help resolve social issues.



Message from the President of the Personnel Unit



Toshiyuki Otake
Managing Executive Officer
President, Personnel & General Affairs Unit
President, IT & Business Process Management Unit

People are the very origin of value creation. The pursuit of ambitions by diverse individuals will power our future.

Tokyo Century’s Perspective on the Importance of Human Capital

In a rapidly changing business environment, the driving force for our sustainable growth is the strength of each and every one of our employees—our human capital. Tokyo Century has constantly identified social needs and ventured into new business domains beyond the framework of its founding business of leasing. This history has been forged by the power of our people. To carry this pioneering spirit into the future and achieve even greater growth, we have placed the maximization of

human capital value at the core of our management strategy. In paving the way for the future, we believe our most critical task is to foster a corporate culture where all employees can fully demonstrate their propensity for self-transformation, creativity, and ambition. This will create a virtuous cycle whereby individual growth directly fuels the Company’s growth. We at Tokyo Century are united in this commitment.

Creating an Environment to Leverage Diverse Individuality and Support Employees in Chasing Their Ambitions

We are convinced that the wellspring of new value creation lies in the synergies born of respecting and integrating diverse personalities. Regardless of age, gender, or nationality, we are focused on creating an environment where each individual can maximize their skills, experience, and expertise to pursue their ambitions in their own way. As part of these efforts, we are creating

diverse career paths and redesigning our human resource system to enable every employee to use their abilities to the fullest with a greater sense of satisfaction. Through these initiatives, we aim to become an organization where diverse talent can thrive and continuously create new businesses, thereby enhancing our overall corporate strength and achieving sustainable growth.

Enhancing Corporate Value and Contributing to Resolving Social Issues Through Human Capital Investments

Providing opportunities for each employee to grow as a professional and fully demonstrate their abilities is our most crucial investment for the future. This investment not only enhances our corporate value by improving customer value propositions but also directly fulfills our corporate social responsibility, as our developed human resources contribute to resolving social issues through

their business activities. We will continue to expand our various training programs and career autonomy support to encourage employees to take on challenges. In this way, we aim to establish a three-part virtuous cycle: *individual growth fuels company growth*, which in turn helps *realize a better society*.

Human Resource and Organizational Strategies

Human Resource Strategies

Tokyo Century has identified the recruitment and development of highly specialized professionals capable of leading the transformation of management and business strategies as a key task. To this end, the Company is increasing investments to enhance recruitment activities and training and education programs. To achieve ongoing growth, we will continue to recruit and develop such professionals while also fostering a work environment where each employee can pursue their ambitions with motivation and satisfaction, supporting their autonomous career development.

Human Resource Strategies	Acceleration of human resource recruitment and development initiatives	<ul style="list-style-type: none">➔ Recruitment of individuals with specialized expertise who can lead transformation of management and business strategies➔ Introduction of human resource systems for utilizing highly specialized individuals➔ Provision of learning opportunities to enable employees to tackle new challenges➔ Cultivation of professionals capable of creating new businesses
	Strategic allocation and positioning of human resources	<ul style="list-style-type: none">➔ Allocation of human resources to growth areas➔ Talent management approach for strategic human resource positioning➔ Appropriate compensation in reflection of professional growth and accomplishments
	Development of safe and secure workplace environments	<ul style="list-style-type: none">➔ Cultivation of health awareness and support for prevention, early diagnosis, and treatment of illnesses➔ Improvement of productivity through development of comfortable and motivating workplaces

Human Resource Strategy Indicators*

		FY2020	FY2024	FY2027 (Target)
Acceleration of human resource recruitment and development initiatives	New-graduate hires	13	52	—
	Mid-career hire ratio	32.4%	35.6%	Maintain or improve ratio
	Average annual salary	¥8.57 million	¥9.01 million	—
Strategic allocation and positioning of human resources	Training expenses per employee	¥40,000	¥135,000	—
	Training hours per employee	14	55	—
Development of safe and secure workplace environments	Rate of employees undergoing regular health check-ups	100%	100%	100%
	Rate of employees undergoing stress checks	94.3%	100%	100%
	Annual paid leave utilization rate	72.7%	81.2%	At least 70%

* Figures are for Tokyo Century Corporation (non-consolidated).

Organizational Strategies

Tokyo Century prioritizes creating an organization where diverse and talented individuals are hired, developed, and promoted, allowing each employee to fully demonstrate their abilities and individuality. To further enhance our corporate unity and achieve ongoing growth, we are continuously improving our organizational management and culture. We are strengthening inter-departmental collaboration and building knowledge-sharing systems, aiming to establish a structure that can create new value by consolidating the expertise of the entire organization.

Organizational Strategies	Organizational management	<ul style="list-style-type: none">➔ Development of frameworks not bound by the conventional structures of organizations in focus areas➔ Promotion of systems that reward ambition➔ Creation of frameworks for communication and knowledge sharing
	Promotion of diversity, equity, and inclusion	<ul style="list-style-type: none">➔ Fostering of corporate culture founded on respect for human rights➔ Development of workplaces in which diverse individuals can exercise their unique skills
	Branding	<ul style="list-style-type: none">➔ Advancement of internal branding activities targeting employees➔ Enhancement of brand image to aid in human resource recruitment

Organizational Strategy Indicators*

		FY2020	FY2024	FY2027 (Target)
Organizational management	Transfers via the Career Challenge System	14	24	—
	Career Design Training participants	128	235	—
	TC Career Seminar / My Career Up workshop participants	102	428	—
Promotion of diversity, equity, and inclusion	Ratio of women among new-graduate hires	30.8%	40.4%	At least 40%
	Ratio of women in section chief-level positions	50.7%	53.4%	—
	Ratio of female managers among all managers	9.1%	13.7%	At least 30% (FY2030 target)
	Ratio of employees with disabilities	2.6%	3.2%	Maintain ratio above legally mandated level

* Figures are for Tokyo Century Corporation (non-consolidated).

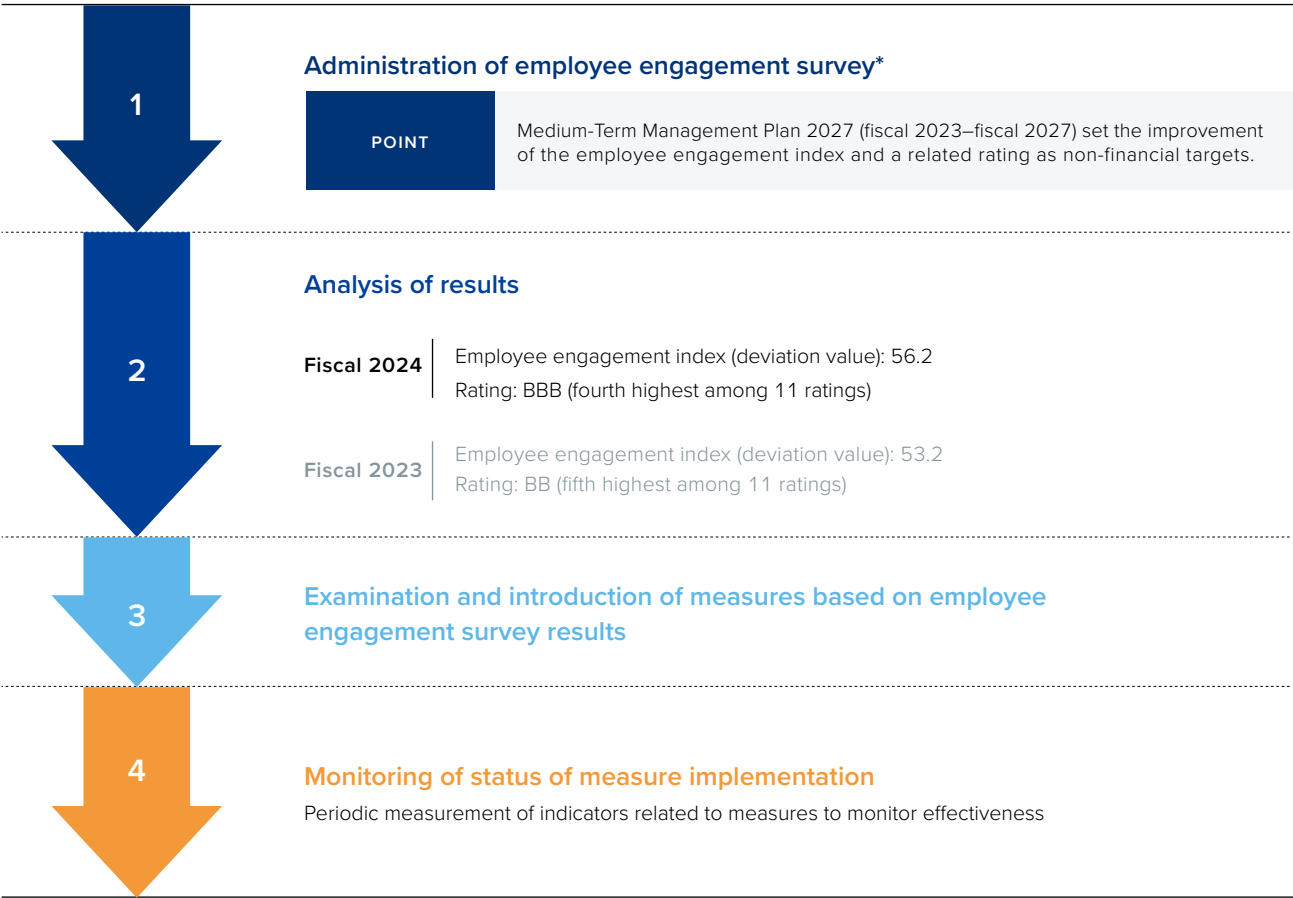
Human Resource and Organizational Strategies

Employee Engagement

Medium-Term Management Plan 2027 defines the employee engagement index as a non-financial KPI. This index is measured through regular employee engagement surveys. By analyzing the results of these surveys, we are able to identify issues and implement improvement measures to further heighten the employee engagement index.

Fiscal 2024 Employee Engagement Survey Results

Cycle of Improving Employee Engagement Through Dialogue



* Fiscal 2023 results are from the May 2024 survey; fiscal 2024 results are from the May 2025 survey.
* Results measured using Motivation Cloud service provided by Link and Motivation Inc.

Our Strengths as Seen from the Engagement Survey

The fiscal 2024 employee engagement index increased by 3.0 points from the previous survey, which shows a stronger relationship of trust between the Company and employees. In particular, the improvement in trust in management and satisfaction with diverse workstyles indicates that employees’ understanding of the Company’s vision and ways of working has deepened and their alignment with them is growing. Furthermore, satisfaction with open communication, employment, and the workplace environment remained high, confirming that a foundation is in place for employees to feel secure at work.

Key Themes for Further Growth

For ongoing improvements to corporate value, it is crucial to create a workplace environment where each employee can fully demonstrate their abilities. The engagement survey results identified two key themes for further evolution: strategic human resource allocation to growth fields and the creation of a system that fairly evaluates employees’ pursuit of ambitions and contributions and reflects them in compensation. To address these issues, we will take human resource development and allocation measures that support employees’ autonomous career development and restructure our personnel system with an emphasis on fairness. We will thus continue to enhance human resources who can help improve corporate value.

TOPIC 1

Town Hall Meetings

Following President Koji Fujiwara’s appointment in April 2025, town hall meetings were held over several months on each floor of the Akihabara Head Office and Tokiwabashi Office, as well as at major domestic and overseas locations. The purpose of these meetings was to foster a sense of unity under the new management structure by having the president communicate directly with employees and share the new management policy and future outlook. We received much positive feedback from participants, such as, “It was a valuable opportunity to learn about the president’s thoughts and personality directly, deepening my understanding of the Company,” and “The connection between my own work and the Company’s vision became clear.”



TOPIC 2

Innovation Lab

In fiscal 2024, we launched Innovation Lab, a development and support program aimed at strengthening business conceptualization skills. In addition to creating new businesses, this program promotes the improvement of existing business value and the fusion of expertise and ideas across operating segments. In fiscal 2024, a total of 24 employees from across all the operating segments participated. Participants practice the entire process, from exploring social issues to generating ideas and making final proposals, systematically learning the thinking methods and frameworks necessary for business conceptualization.



TOPIC 3

TC-Mee+

Since fiscal 2022, we have been holding networking events called TC-Mee+ under various themes to vitalize communication across departments and generations. In October 2024, we held a gathering themed “Women’s Careers: How Can You Shine in Your Own Way?” featuring experience sharing by female managers and discussions on women’s careers. We will continue to create communication opportunities with various themes to foster a corporate culture where employees can thrive.



DIALOGUE

Employee Roundtable

Ambitions of the Employees of Today

Blazing a Trail for the Challengers of Tomorrow

Tokyo Century offers the Career Challenge Program, an internal recruitment system in which divisions seeking recruits disclose the conditions for open positions and then seek to fill these positions from among the employees who apply. Through this system, which has been used to relocate a total of 88 employees to their desired organizations since its introduction in fiscal 2020, we are providing employees who are motivated

to grow with opportunities for shaping their careers based on their own volition. The following is a discussion among three such employees, each with their own unique career history. The participants talk about the system's appeal as well as Tokyo Century's working environment and corporate culture for supporting employees' growth and ambitions.

Self-Driven Career Development Through Relocation Based on One's Own Volition

To begin, could you please tell us why you chose to use the Career Challenge Program?

Yuzawa: I joined Tokyo Century more than 36 years ago, before it assumed its current form through merger. I have experienced a wide range of departments, including sales, e-business, and general affairs. In recent years, I have had many opportunities to see how organizations can become energized when mid-rank employees are promoted to management positions. Such career progression is incredibly beneficial for the Company. At the same time, it has made me conscious of my own age and think about when it will be my time to pass the baton to the next generation. As I approach retirement age, it dawned on me that the next organization I am relocated to will likely be my final posting before retirement. Prior to using the Career Challenge Program, every relocation I underwent was based on orders from above. However, I could not help but think that I should at least be able to choose where I will end my career. This is what inspired me to apply for the Career Challenge Program. I also may have been a bit envious of people, like Ms. Matsumoto and Mr. Yamashita, who were energized in their new workplaces after relocating through the Career Challenge Program. I made this decision at a time when the Sustainability Management Division was still in its infancy. I wanted to join this division as I was drawn to its energy and dynamism as it swiftly hammered out policies and presentation methods for responding to the various emerging social expectations.

Matsumoto: I chose to use the Career Challenge Program based on my going on maternity and childcare leave for a total of three years. After returning from leave, I remember feeling anxious about the gap that might have opened between my own abilities and those of colleagues who had joined at a similar time while I was on leave. I also felt anxiety about doing the same job I used to do in the division I worked at before going on leave. However, as my children were still young, I had no time to try and close this gap by studying or getting qualifications outside of normal working hours.

At a time when I was plagued by such feelings of uncertainty, I was made aware that I could develop my career by using Tokyo Century's career support systems via internal seminars and related materials. I thereby learned about the possibility of furthering my career by broadening my insight through my everyday work. Of the options on the table, the Career Challenge Program seemed the best option for me. I also thought that, if I was going to take this big step, I might as well jump into something completely different. Up until then, I had mainly worked with an external focus, as I

was in sales. In my current position in the Automobility Business Strategic Planning Division, however, I have to facilitate management of subsidiaries and coordination between operating segments, which means that internal communication is an important part of my job.

Yamashita: I joined Tokyo Century straight out of university, and I am now in my eighth year. I spent the first five in the Machinery Division (currently Corporate Business Division IV). A part of the Equipment Leasing segment, this division specialized in the leasing of construction and manufacturing equipment and was thus one of the Company organizations that dealt with the most specialized of fields. The vast majority of customers I worked with were privately owned companies. My interactions with these customers gave me a strong sense of the issues related to transferring business ownership stemming from the lack of successors to management. My understanding of this social issue is what got me interested in M&As.

For this reason, I chose to use the Career Challenge Program to transfer to the Principal Investment Division, which is responsible for business investments. In this new position, I am responsible for examining and conducting new investments and for improving their value.

Have you found your experience in your previous position helpful in your new role? Or, has it been more challenging than anticipated trying to catch up with those around you?

Yuzawa: I left the General Affairs Division in March 2025. During my seven years there, I was involved in the formulation of CO₂ emissions reduction and other environmental measures to a certain degree. Nevertheless, after joining the Sustainability Management Division, I was amazed at just how comprehensively they addressed environmental matters. I also found myself engulfed in a sea of technical terms. Moving to a new division and learning the ropes there requires a lot of energy when you get to be my age. If I do not understand something, I make sure to ask my younger colleagues. Study using e-learning programs and other resources is another constant for me in this new environment.

Matsumoto: I often work with the Sustainability Management Division, and I feel as though the division itself has changed since you joined, Mr. Yuzawa. For example, the division has become more thorough and concise in its coordination of matters and provision of notifications prior to engagements. I believe this reflects how you are leveraging your extensive experience in facilitating Companywide coordination in your position in this division.

Yuzawa: Thank you. I constantly find myself struggling to get used to my new environment, but it gives me some confidence to know that I am making a difference.

DIALOGUE Employee Roundtable

Matsumoto: In my case, I transitioned from mainly dealing with customers, people outside of the Company, to working with internal organizations and affiliates. At first, I really felt the difficulty of reaching agreements with other parties. However, I now truly feel like I am making use of my past experience in sales whenever we approach the end of a project. Three years have passed since I transferred to my current position, and I finally feel like I have gotten used to things. That being said, it is important that I do not let my growth stop at being “used to things.” I have to keep climbing to new heights, even if I do so at my own pace. For example, I am currently trying to get some qualifications, something I could not find the time to do previously.



● **Hidaka Matsumoto**
Now in her 13th year at Tokyo Century, Hidaka Matsumoto initially joined after graduating from university and was positioned in a corporate sales division targeting the Tokyo metropolitan area. After giving birth and returning from childcare leave, she used the Career Challenge Program in 2022 to transfer to the Automobility Business Strategic Planning Division.

Support for Chasing Ambitions at Any Age

Yamashita: In my prior position, I was involved in equipment leasing sales, and I specialized in the construction and manufacturing equipment sectors, in particular. I have found this experience to be very useful in my current position. At my division, I am one of the few people to have some expertise in regard to these sectors, and this makes me an asset to the team, I believe. My past experience has given me a certain degree of understanding of the industry, its value chains, and the frameworks for related business models. I feel I am therefore able to quickly grasp the main points when we are screening new investments in this industry. M&As are something that requires theoretical knowledge, but it is also crucial to possess a high degree of understanding of the businesses in question. This means that I am able to utilize my experience gained in prior posts, which makes me feel that all I have done so far can be tied together.

Transferring from equipment leasing to principal investment may become a leading example of changing job posts.

Yamashita: My experience in equipment leasing allowed me to form wide-ranging connections with customers. This gives me the opportunity to hear about the issues they face through our everyday interactions. I find it interesting how sometimes the best way to address the capital-related issues of customers, such as those pertaining to business succession or growth strategies, may be investment by Tokyo Century. In other words, the trusting relationships we have built with customers could be evolved so that we can create greater value through joint businesses. I see a lot of potential in this regard. Ideally, we do not want Tokyo Century to be viewed as a company limited to only leasing and financing. Rather, we want the Company to be regarded as being able to accommodate and propose solutions to any customer inquiry.

What types of reactions did you see from those around you when you used the Career Challenge Program?

Yuzawa: I got a lot of different reactions. There were quite a few people around my age who said that my decision was an eye-opener. I think it would be great if more veteran employees considered using this system. Previously, a lot of people may have gotten the initial impression that this system was for use by newer employees, and this misunderstanding has made veterans hesitant to apply. Nevertheless, I feel that, on the whole, Tokyo Century is becoming a place where anyone who raises their hand to volunteer for such relocations will be accepted.

There were certainly many people who were inspired by Mr. Yuzawa’s decision.

Yuzawa: It is only natural for a veteran employee to be put off by the idea of struggling in a new division. Still, I think it is meaningful for even veterans to be exposed to new environments. Getting to see a new aspect of the Company is an exciting experience in and of itself.

Matsumoto: Personally, I was able to take this step with the blessing of my supervisors and colleagues, who all had diverse backgrounds. They encouraged me by saying that it would definitely be a valuable and eye-opening experience. The amount of energy and commitment we devote to our ambitions can vary from person to person. Some people, like Mr. Yamashita, stoically build on their own experience based on clear goals. Others, meanwhile, like me, seek to try something new in their everyday work to broaden the scope of their career.

An amazing aspect of the Career Challenge Program is how it can accommodate the ambitions of such a wide

range of people, whether they are seeking to pursue higher pinnacles in a familiar area or work toward some other goal. The inclusiveness and accessibility of the system are two features of its greatness, and I hope that this will remain the case going forward.

Yamashita: I was also encouraged by my supervisor and by my more-experienced colleagues. They told me that I should try out the Career Challenge Program if there was a division that I wanted to transfer to. The leader of my new division was also understanding of my experience, and they provided me with a clear role that matched my expectations. This helped me get off to a smooth start in my new position. The robust support that was offered to me before and after my relocation really made me recognize Tokyo Century’s embedded culture of encouraging and supporting employees’ ambitions.

Ambitions of Today Inspiring Ambitions of Tomorrow

What sort of path do you envision for your career going forward? Also, what types of systems or environments would you like to see Tokyo Century develop in the future?

Yuzawa: I think that attempting to succeed in a new environment requires one to ensure that they are always prepared to call upon their past experience. This means keeping feelers out to detect changes in the times while taking stock of one’s own skills and knowledge so that you can easily pull out what is needed at any given time.

Unlike the past, today there are a lot of opportunities for people of all genders and ages to succeed, and I have no doubt that the range of opportunities available will only continue to grow. If Tokyo Century were to explain or promote the Career Challenge Program in a way that would alleviate the hesitations of veteran



● **Keiichi Yuzawa**
Currently in his 37th year at Tokyo Century, Keiichi Yuzawa has held managerial positions in IT equipment and other leasing sales, e-business, and administrative divisions. In 2025, he took advantage of the Career Challenge Program to transfer to the Sustainability Management Division.



● **Yuta Yamashita**
Yuta Yamashita joined the Company straight out of university and is now in his eighth year. He was previously involved in construction and industrial equipment and machine tool leasing sales to corporate customers. After using the Career Challenge Program in 2023, he relocated to the Principal Investment Division.

employees, I think it would contribute to positive trends in employee fluidity. Everyone has a lot of skills to utilize. If they are relocated to a new division, they will have the opportunity to find new uses for their existing skills.

Matsumoto: I am in my 13th year as a contributing member of society, and I had thus started to feel a bit anxious, thinking it was about time that I chose a career path and started to really focus on pursuing it. However, speaking with Mr. Yuzawa today has made me realize that this is not the only way to develop my career. I want Tokyo Century to continue to be the type of company where people can always feel free to try and take on new challenges, regardless of their age.

Yamashita: I do not really have a clear vision for my future. My approach is more to focus on what is in front of me, safe in the knowledge that by doing so I will discover what I want to do next. When this happens, I hope that Tokyo Century will have the type of environment that Ms. Matsumoto speaks of, one that will enable me to pursue the path I desire.

In closing, could you please tell us what it means to you to chase one’s ambitions?

Yamashita: Chasing one’s ambitions is about self-actualization. It is when one is chasing their ambitions that they are most energized, and this energy can resonate with and spur into action those around them.

Matsumoto: To me, chasing ambitions is akin to running a marathon. You get started after setting some sort of goal, but if you are like me and are not a fan of running, it can be a massive undertaking just to get to the starting line.

Yuzawa: It is not easy to put into words, but I feel that the ambitions of today inspire the ambitions of tomorrow. I really believe that chasing one’s ambitions empowers both the individual and the people around them.

Our Stance and Initiatives on Climate Change

The Tokyo Century Group’s Management Philosophy calls on us to contribute to the creation of an environmentally sound, sustainable economy and society. We recognize the fight against climate change as an important opportunity for growth toward accomplishing this objective, and a concerted Groupwide response is thus being furnished to address climate change. One of Tokyo Century’s key issues of materiality is “contribution to decarbonized society,” and we are striving to help resolve social issues while achieving ongoing growth and improvements to corporate value.

Note: Please refer to the Response to Climate Change and TCFD Endorsement section on the Company’s website for details on our climate change-related metrics and targets.
<https://www.tokyocentury.co.jp/en/sustainability/esg/environment/tcf.html>

Climate Change Governance

The Tokyo Century Group’s governance system features a Sustainability Committee, which is responsible for planning, promoting, and overseeing Groupwide sustainability initiatives. The committee deliberates on the sustainability management strategy for climate change risks and opportunities. Key issues are then reported to and discussed by the Management Meeting and the Board of Directors.

The Sustainability Committee is chaired by the president of the Corporate Planning Unit and composed of relevant officers and the presidents of each unit. The Sustainability Management Division in the Corporate Planning Unit serves as the secretariat, and the committee meets, in principle, twice a year. It works under the supervision of the Board of Directors to strengthen the PDCA cycle for sustainability management.

	Key Agenda Items on Climate Change (Fiscal 2024)
Board of Directors and Management Meeting	<div>➡ Report from the Sustainability Committee</div> <div>➡ Report from the Comprehensive Risk Management Committee</div> <div>➡ Report from the Environmental Management Committee</div>
Sustainability Committee	<div>➡ Action plan and progress report for achieving carbon neutrality</div> <div>➡ Progress of the Sustainability Road Map in Medium-Term Management Plan 2027</div>
Comprehensive Risk Management Committee	<div>➡ Monitoring results of non-financial key risk indicators (including climate change risk)</div> <div>➡ Results of risk measurement (including climate change risk)</div>
Environmental Management Committee	<div>➡ Establishment of priority management items, environmental targets, and medium- to long-term targets for fiscal 2024</div> <div>➡ Report on fiscal 2023 activities and activities for fiscal 2024</div>

Climate Change Risk Management

The Tokyo Century Group has established the Basic Risk Management Policy and set up its Comprehensive Risk Management Committee. The committee identifies and evaluates Groupwide risks that may significantly impact management and appropriately addresses them both qualitatively and quantitatively as necessary.

The Basic Risk Management Policy and the Comprehensive Risk Management Rules define the Group’s risk categories. For these categories, we annually assess changes in our business operations and create a risk heat map using a matrix that measures the potential impact and likelihood of occurrence for each risk. Climate change risk is positioned on said map as a non-financial operational risk.

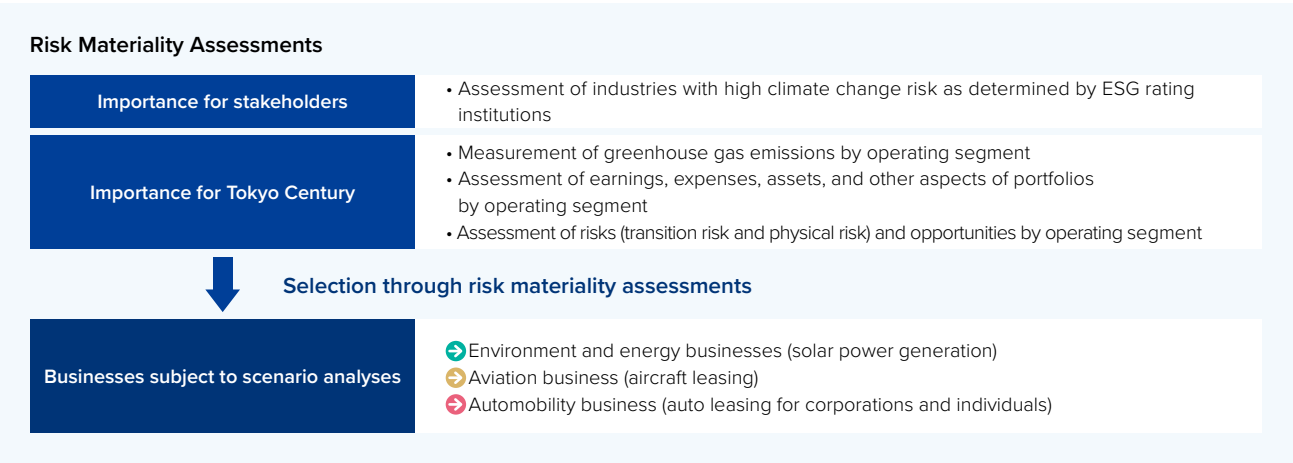
We have also established a system for monitoring operational risks, including climate change risk. The results are reported to the Board of Directors twice a year through the Comprehensive Risk Management Committee as non-financial risk indicators.

To determine the potential impact of climate change on our credit portfolio, we conduct preliminary measurements of our exposure to its key components: transition risk and physical risk, with the results reported regularly to the Comprehensive Risk Management Committee.

Exposure to transition risk is quantified through Monte Carlo simulations targeting sectors chosen based on TCFD recommendations after accounting for the potential impact of such risk on debtor ratings and asset value. Concurrently, physical risk exposure is measured as the maximum loss projected from natural disasters for specific business assets (such as solar power generation businesses), based on statistical simulations.

Climate Change Strategy

Given that it has five operating segments, the Tokyo Century Group selects businesses subject to scenario analyses by conducting risk materiality assessments. These assessments involve industry-specific evaluations of the impacts of climate change risk and comparative analyses of the greenhouse gas emissions and asset portfolios of different operating segments. To date, scenario analyses have been conducted targeting the environment and energy businesses (solar power generation), the aviation business (aircraft leasing), and the automobility business (auto leasing for corporations and individuals). Going forward, the Company will continue to examine the appropriate risk countermeasures and related opportunities by expanding the scope of businesses subject to scenario analyses and improving the accuracy of these analyses based on risk materiality assessments.



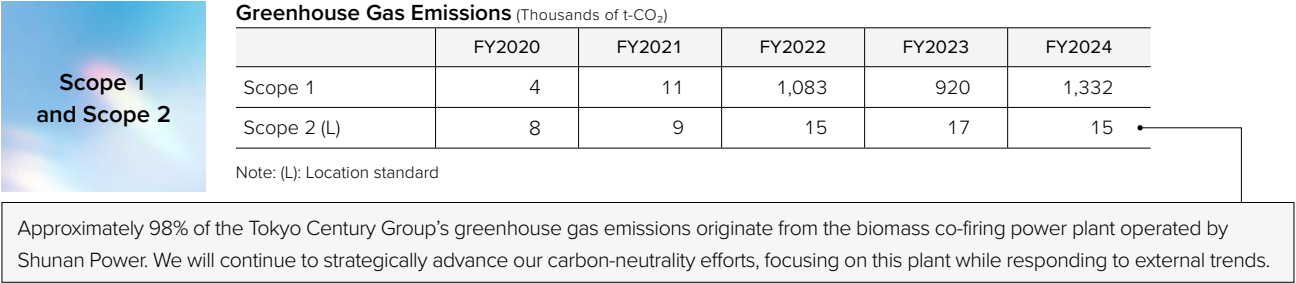
Scenario Analyses (Risks, Opportunities, and Measures)

			Measures
Environment and energy businesses (solar power generation)	Risks	<div>➡ Deterioration of profitability due to the end of the FIT scheme and intensified competition</div> <div>➡ Suspension of power plant operations and increased restoration costs due to natural disasters such as heavy rain and typhoons</div> <div>➡ Soaring insurance premiums for assets located in high disaster risk areas</div>	<div>➡ Maximizing power generation efficiency by accumulating asset management expertise</div> <div>➡ Developing new businesses not dependent on the FIT scheme, such as corporate PPAs and VPPs*3</div> <div>➡ Considering diversifying renewable energy sources beyond solar to include geothermal, wind, and biomass</div>
	Opportunities	<div>➡ Expansion of renewable energy business, driven by CO₂ emissions reduction policies and national targets (60%–70% non-fossil fuel power sources by fiscal 2040)</div> <div>➡ Creation of new businesses by developing and commercializing resilient facilities utilizing knowledge accumulated from disaster response and providing them externally</div>	
Aviation business (aircraft leasing)	Risks	<div>➡ Restrictions on financing and leasing to airlines that do not meet industry standards</div> <div>➡ Rapid decline in the value of current new technology aircraft*1 due to the spread of new generation aircraft*2</div>	<div>➡ Reducing portfolio risk by diversifying and expanding lessees and replacing assets with new technology aircraft</div> <div>➡ Expanding the asset turnover business to achieve early sales of owned aircraft and improve profitability</div> <div>➡ Expanding the asset management business to handle post-sale aircraft management</div>
	Opportunities	<div>➡ Increase in earnings opportunities by securing a sufficient number of new technology aircraft (for the near future)</div> <div>➡ Increase in earnings and asset value by increasing the proportion of new generation aircraft (for the distant future)</div>	
Automobility business (auto leasing for corporations and individuals)	Risks	<div>➡ Decline in used car prices for gasoline and diesel vehicles due to the shift to EVs</div> <div>➡ Decrease in maintenance revenue due to the spread of EVs, which have fewer parts than gasoline and diesel vehicles</div>	<div>➡ Strengthening the value chain to provide new EV-related services (for corporations and individuals)</div> <div>➡ Establishing an appropriate maintenance system for EVs</div> <div>➡ Enhancing monitoring of changes in the used car market for gasoline, diesel, and electric vehicles and setting appropriate residual values</div>
	Opportunities	<div>➡ Increased demand for EV leasing due to growing environmental awareness among customers</div> <div>➡ Emergence of new earnings opportunities from the shift to EVs, such as charging services and second-life business for used EV batteries</div>	

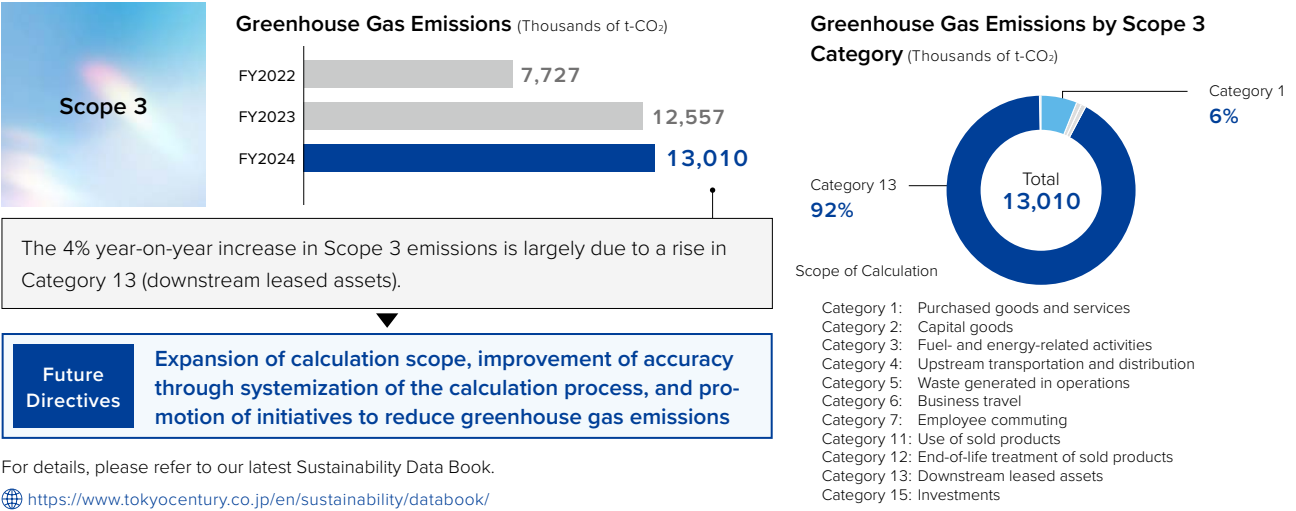
*1 New technology aircraft: Low-carbon aircraft with improved fuel efficiency, lighter airframes, etc.
*2 New generation aircraft: Blended Wing Body (BWB) passenger aircraft, alternative fuel-compatible aircraft, electric aircraft, hydrogen aircraft, etc.
*3 VPP: Virtual Power Plant

Our Stance and Initiatives on Climate Change

The Tokyo Century Group’s Greenhouse Gas Emissions



Carbon-Neutrality Policy
<https://www.tokyocentury.co.jp/en/sustainability/esg/environment/carbon-neutrality-policy.html>



Scope 1 and Scope 2 Emissions Reduction Initiatives

Direct Emissions and Indirect Emissions Originating from Energy Use

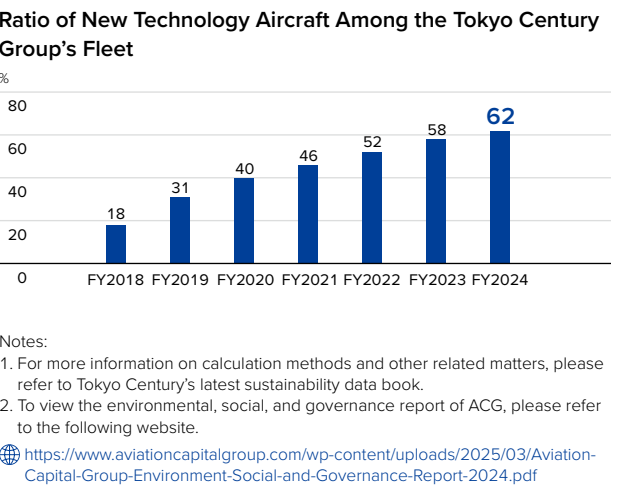
To reduce direct emissions, Tokyo Century is planning a phased shift from gasoline-fueled vehicles to electrified vehicles such as EVs for its Company fleet. In addition, gas-powered equipment will be replaced with electric equipment or with more energy-efficient equipment, while offices will be relocated to buildings that utilize renewable energy.

For indirect emissions, we will seek to effectively switch to renewable energy by procuring green power and purchasing non-fossil fuel certificates. Furthermore, since 2023, the electricity used in the three buildings in Akihabara occupied by the Company and its Group companies, as well as in the TOKYO TORCH Tokiwabashi Tower, has been 100% sourced from renewable energy.

Scope 3 Emissions Reduction Initiatives

Aviation Business: Introduction of Highly Fuel-Efficient, New Technology Aircraft

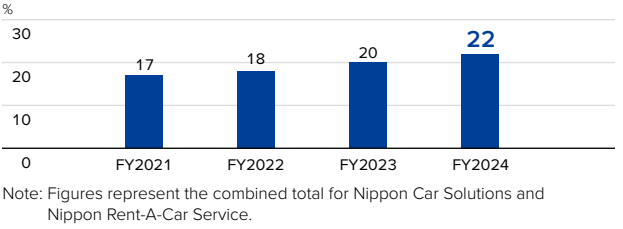
Our aviation business, including U.S.-based aircraft leasing subsidiary Aviation Capital Group LLC (ACG), is pursuing reductions in greenhouse gas emissions by introducing new technology aircraft with high levels of fuel efficiency into its fleets. The Airbus A320neo family, the mainstay of our fleet, offers an approximately 20% reduction in greenhouse gas emissions compared with prior aircraft. The Tokyo Century Group is committed to increasing the portion of its aircraft portfolio accounted for by such eco-friendly aircraft and thereby reducing greenhouse gas emissions. Another pressing task in reducing the emissions of the aviation industry is the shift toward sustainable aviation fuel (SAF). We are currently assessing how best to take advantage of the business opportunity this shift represents.



Auto Leasing and Car Rental Business: Expansion of EV Offerings and Entry into EV Battery Business

- ➡ Provision of EVs to the NTT Group, in light of its declared commitment to transition completely to EVs (participation in EV100 initiative), and promotion of EV adoption by other customers
- ➡ Commencement of transactions of electric taxis, buses, and other electrified micro-mobility options
- ➡ Enhancement of value chain to provide EV-related services
- ➡ Promotion of EV charging infrastructure in collaboration with GO Inc.
- ➡ Creation of a marketplace utilizing “e-mobilog” to support the shift to EVs
- ➡ Provision of used EV leasing services with guaranteed driving range

Ratio of Electrified Vehicles in the Automobility Segment’s Fleet



Real Estate Business: Adoption of Renewable Energy

- ➡ Adoption of electricity sourced from renewable energy
- ➡ Installation of solar panels on Company-owned properties

Projects for Realizing a Decarbonized Society

The Joint Crediting Mechanism (JCM) is a system to support greenhouse gas emissions reductions and sustainable social infrastructure development by providing Japan’s decarbonization technologies to partner countries. The reduced amount is also counted as Japan’s emissions reductions.

From fiscal 2017 to fiscal 2024, Tokyo Century had 17 JCM projects selected for implementation in Indonesia, the Philippines, Thailand, Myanmar, and Vietnam. Of these, a project in the

Philippines was selected in fiscal 2023 under the JCM Eco Lease Scheme, a program for which the Company helped develop the system design. In fiscal 2024, two projects were approved.

Climate Change Actions Through the Joint Crediting Mechanism (JCM)
<https://www.tokyocentury.co.jp/en/sustainability/materiality/decarbonized-society.html>

Estimated Greenhouse Gas Emissions Reductions

Target	Unit	FY2021*	FY2022*	FY2023*	FY2024*	FY2025*
Estimated greenhouse gas emissions reductions at the time of JCM project selection (Cumulative)	t-CO ₂	39,000	45,000	49,000	53,000	56,000

* In the above table, each year represents the period from January to December.

Our Stance and Initiatives on Biodiversity

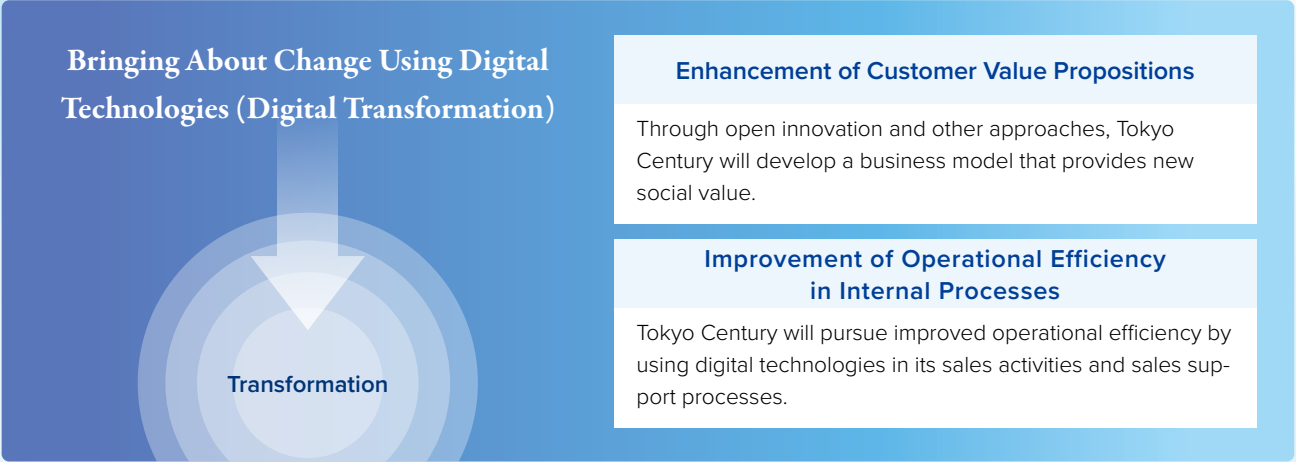
Participation in the Keidanren Initiative for Biodiversity Conservation

In June 2024, Tokyo Century announced its endorsement of the Keidanren Declaration for Biodiversity and Guideline and joined the Keidanren Initiative for Biodiversity Conservation. The Keidanren Initiative for Biodiversity Conservation is a group of companies and organizations that endorse the objectives of the Keidanren Declaration for Biodiversity and Guideline (revised version) and take actions to address the items listed. The Japan Business Federation (Keidanren) and the Keidanren Nature Conservation Council are striving to realize a society that exists in harmony with nature, as well as a sustainable economic and social environment, through the dissemination and practice of the declaration and guideline. The organizations also contribute to achieving global goals such as the Kunming-Montreal Global Biodiversity Framework and the United Nations Sustainable Development Goals (SDGs).

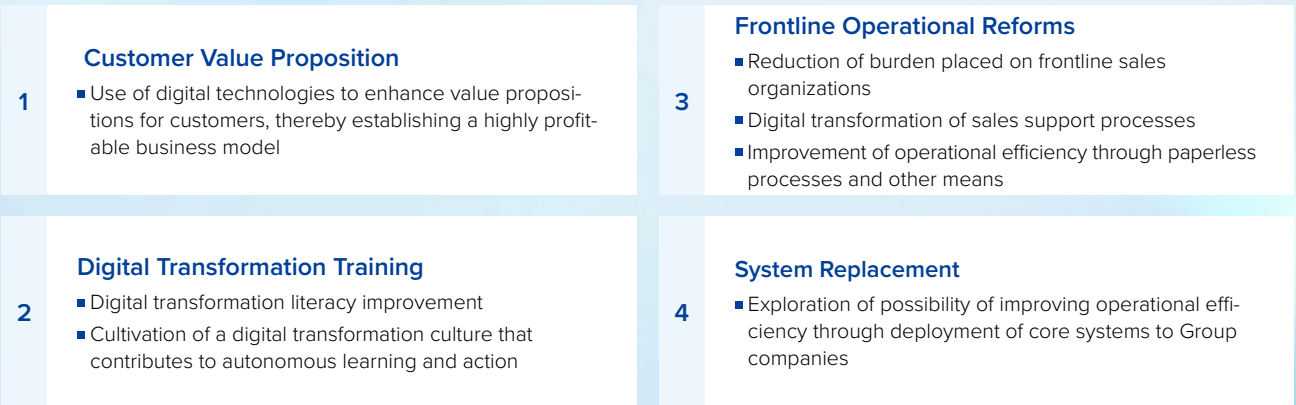
The Tokyo Century Group’s Management Philosophy calls for us to contribute to the creation of an environmentally sound, sustainable economy and society. Based on this philosophy, we are striving to achieve ongoing improvements in Groupwide corporate value by helping resolve social issues. Going forward, the Tokyo Century Group will continue seeking to preserve biodiversity and address other environmental issues in all areas of its business activities to create an environmentally sound, sustainable economy and society.

Digital Transformation Strategies

Digital transformation is crucial for building the foundation necessary for achieving the targets of Medium-Term Management Plan 2027. To bring about change using digital technologies, Tokyo Century focuses on enhancing customer value propositions and operational efficiency in internal processes.

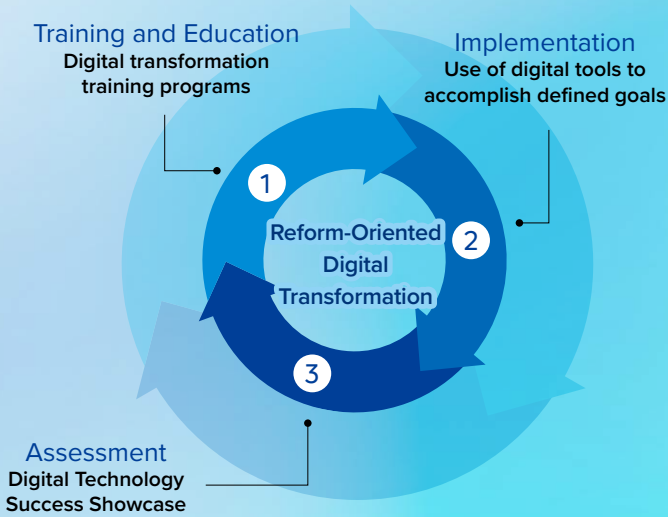


Overview of Digital Transformation Initiatives



Improvement of Operational Efficiency in Internal Processes

In reform-oriented digital transformation for improving operational efficiency in internal processes, it is important that we do not treat the introduction of digital tools as the end goal itself. For this reason, Tokyo Century is implementing an effective digital transformation cycle comprising three stages: ① Training and education, ② Implementation (use of digital tools to accomplish defined goals), and ③ Assessment (sharing and commendation of knowledge).



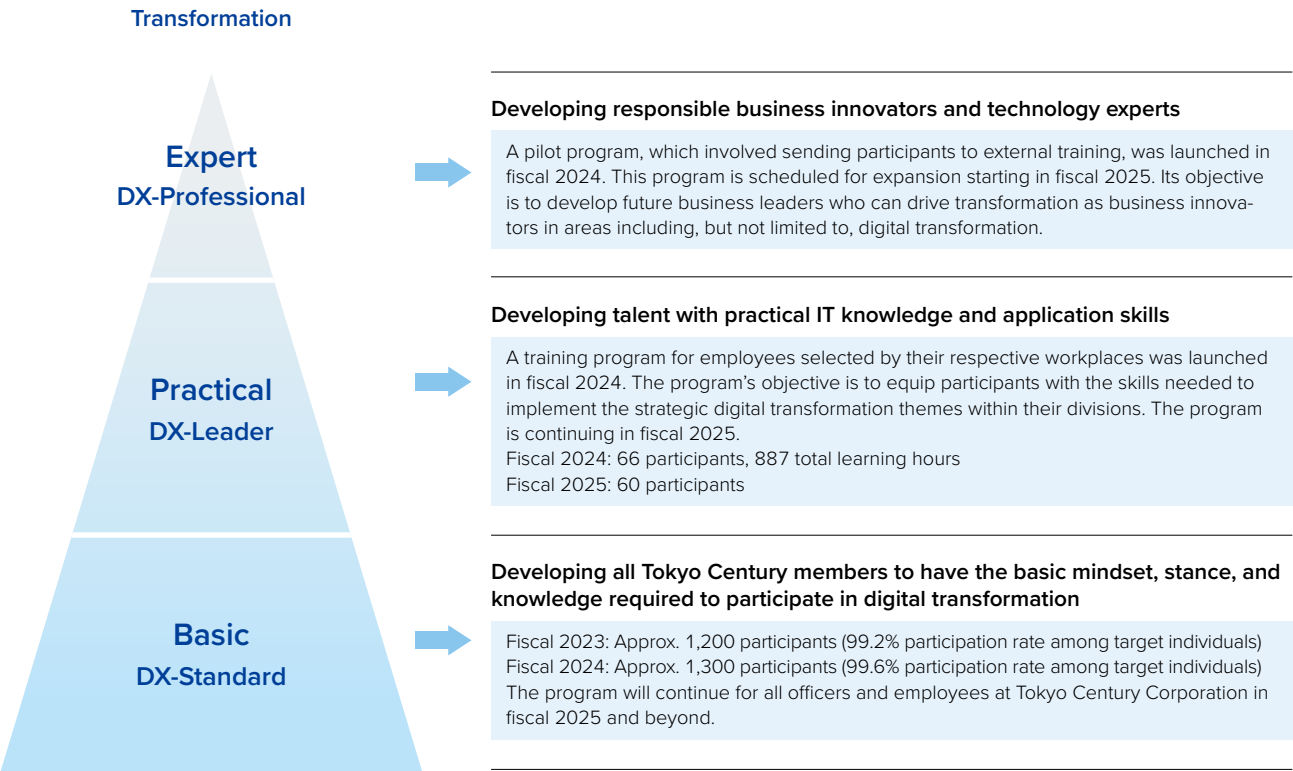
Training and Education—Digital Transformation Training Programs

Tokyo Century has designed a three-level digital transformation training program. The basic-level course (DX-Standard) of this program, launched for all officers and employees in fiscal 2023, provides basic knowledge and information on the background for utilizing digital technologies in the volatile operating environment. This is meant to improve digital transformation literacy throughout the Company.

The practical-level course (DX-Leader) was introduced in fiscal 2024 and is aimed at individuals selected to implement the strategic digital transformation themes defined by specific operating segments. This program enables selected individuals to learn from a practical curriculum tailored to their skills to help them obtain the skills necessary for promoting digital transformation.



Top: Ideation training session
Bottom: Business model creation using a lean canvas



Hands-On Digital Transformation Training Program and Community for Group Companies

The Tokyo Century Group has launched a hands-on digital transformation training program and community to develop frontline-driven digital transformation leaders. In collaboration with the All Nippon Airways (ANA) Group, participants will acquire practical skills and a proactive mindset. By building a network of peers across organizations, we will create a framework to ensure that no one who strives is left alone, enhancing the entire Group's corporate value through frontline-driven digital transformation.

An Experience-Based DX Human Resource Development Program & Community session for Group companies

Digital Transformation Strategies

Open Innovation

Tokyo Century’s Vision for Open Innovation

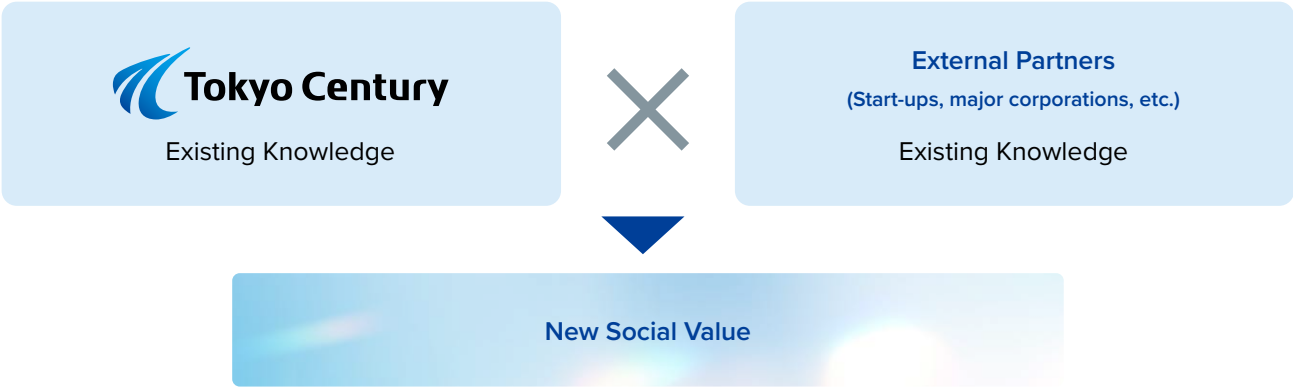
At Tokyo Century, we define innovation as “creating new social value by combining existing knowledge.” Generally, innovation is sometimes misunderstood as “technology development that creates something from nothing,” but in reality, it is about creating new value through the fusion and application of existing technologies and ideas.

However, in today’s VUCA era, where changes in technology and needs are complex and rapid, creating significant value alone is difficult. That is why we believe open innovation—collaborating with a diverse range of external partners—is essential.

Tokyo Century’s business is built on its “Finance × Services × Business Expertise” concept, and we have a long history of partnering with companies that have specialized knowledge.

Building on this foundation, we are driving open innovation as a natural extension of our business strategy, combining existing internal and external knowledge.

Open Innovation Framework



Open Innovation with Plug and Play Japan

Plug and Play Japan is the Japanese subsidiary of Plug and Play, a world-leading accelerator and venture capital firm. Utilizing a global network of over 60 locations, it connects major corporations with start-ups from around the world and provides support for their collaboration.

Tokyo Century participates in Plug and Play Japan’s accelerator program with the main objectives of strengthening its network with domestic and international start-ups and creating new businesses and developing human resources through these practical initiatives.

Our collaboration with Tensor Energy Inc. began through this accelerator program.

In terms of human resource development, we also receive idea training from Plug and Play Japan.

This workshop-style training covers business development methods focused on customer challenges, which are commonly used by start-ups. Participants learn about target customer persona analysis, lean development methodologies, and more.



Our presentation at Plug and Play Japan’s Startup Showcase

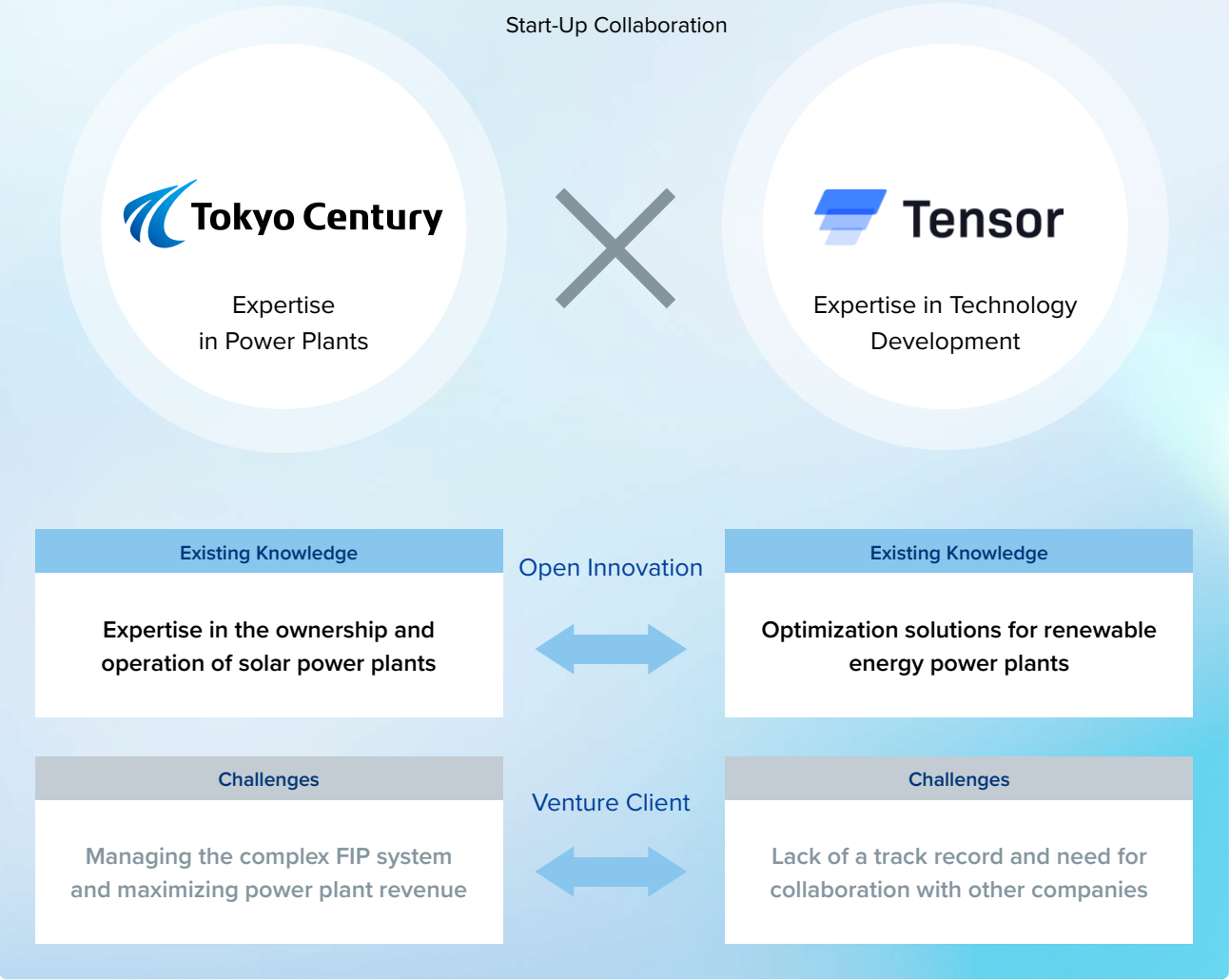
Case Study

Collaboration with Tensor Energy

We are collaborating with Tensor Energy, a power management platform provider for renewable energy businesses, on a solar-plus-storage project in Kumamoto Prefecture, which began operations in June 2024. This is our first project to add storage batteries to our solar power plant and transition to the feed-in premium (FIP) system to address the recent increase in output curtailment. In this project, we implemented Tensor Energy’s Tensor Cloud to manage the complex FIP system and maximize the power plant’s revenue. The high-precision power generation/price forecasts and charging/discharging schedules, optimized for our power plant by AI technology, contribute to risk reduction and revenue improvement. This initiative is a prime example of the “venture client” model, where we, as an early user of Tensor Cloud, simultaneously solve our own challenges while helping Tensor Energy secure revenue and rapidly expand its solutions.



Storage batteries installed at the Kumamoto Arao Megasolar Power Plant



CHAPTER

3

Enhancement of
Management
Foundation

CHAPTER 3: Enhancement of Management Foundation

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Interactive Dialogue

Dialogue Between an Institutional Investor and the President

Tokyo Century is committed to reflecting the issues identified through engagement with investors in management decision-making to generate new value and shape the future through co-creation with these stakeholders.

Requirements for Living Up to Stock Market Expectations as Viewed by an Investor

Yabutani

Thinking back on the days when Tokyo Century's stock price was booming, I remember how the stock market had substantial praise for the Company's high levels of return on equity (ROE) and price-to-book ratio (PBR), which surpassed 10% and 1.0 times, respectively. There was also great anticipation concerning Tokyo Century's high rate of variability and business growth potential. After the acquisition of Aviation Capital Group LLC, however, the Company's profitability grew incredibly unstable due to factors such as the COVID-19 pandemic and Russia's invasion of Ukraine. This situation demonstrated that Tokyo Century was susceptible to external pressures and caused a downturn in investor sentiment. As an investor, I strongly hope that you, President Koji Fujiwara, will transform Tokyo Century through initiatives based on a long-term perspective. You were appointed to the

position of president after getting to know the Company as an external director. How do you view Tokyo Century today? Also, what type of company do you want to mold Tokyo Century into.

Fujiwara

Tokyo Century's business differs from banking, a sector where I have worked for four decades, and is relatively free from regulatory constraints. This freedom has been a major driving factor behind the evolution of Tokyo Century throughout its history. As president, I thus find myself tasked with seeking a way to give form to the substantial potential I sensed as an external director. My understanding of this potential has grown even deeper since I took up my current position. I therefore believe that drawing out and realizing Tokyo Century's true potential will require us to change our way of thinking and adopt a pioneering mindset to create businesses and services.

Kazuko Yabutani

Japan Stock Analyst
Schroder Investment Management (Japan) Limited

Koji Fujiwara

President & CEO, Representative Director,
Tokyo Century Corporation

Dialogue Between an Institutional Investor and the President

As Tokyo Century’s new president, I aim to ensure that we can continue to create distinctive value and achieve rapid growth over the next decade, even amid the intense competition currently seen. To this end, I will push ahead with management reforms aimed at helping Tokyo Century become a company driving solutions to global social issues with an entrepreneurial spirit. The society of today is currently plagued with a myriad of issues, including rising geopolitical risks, troubling global economic trends, environmental issues, population declines in certain regions of the world, and the spread of AI. I thus want Tokyo Century to utilize its strengths to help tackle diverse issues in Japan and around the world. There are a number of areas in which we have the potential to grow our business to contribute to decarbonization and to circular economies. For example, we could expand IT asset disposition services for supporting the proper disposal and reuse of IT equipment. We could also support the spread of automated driving technologies for making society safer and more efficient. Or, we could develop data centers to accommodate the rising global demand sparked by the spread of AI.

If we want to grow our presence by leveraging our distinctive strengths, we must first develop a strategy pyramid to function as a unique, purpose-driven equity story that can be used to clearly communicate to stakeholders the path we will take toward growth. Based on a consistent equity story, we should then practice back-casting from our vision to formulate strategies related to our portfolio, human resource development, and management foundation reinforcement. By sharing and enacting these strategies, I hope to help stakeholders gain a better understanding of our vision and growth potential. Guided by Tokyo Century’s corporate slogan of “Solutions to your Pursuits,” we will accelerate efforts to foster a culture founded on chasing our ambitions together with our partners.

I agree that it is important to emphasize the unique advantages of Tokyo Century to differentiate it from its peers. I look forward to seeing you guide this change in approach toward growth strategies.



Investors pay a lot of attention to improvements in ROE and other capital efficiency indicators. I hope to see Tokyo Century strategically allocate capital and reform its portfolio by shifting capital from underperforming businesses to growth areas.

Capital Efficiency Improvement Through Portfolio Reforms and Capital Recycling

I have praise for the level of progress made in Medium-Term Management Plan 2027, especially considering this progress has put Tokyo Century within reach of accomplishing the plan’s targets ahead of schedule. At the same time, I cannot deny that the performance of certain operating segments is still not on track to accomplish targets in relation to capital efficiency indicators such as ROE and return on assets. Tokyo Century has continued to implement reforms to its business portfolio in pursuit of capital efficiency. However, I cannot say that there has been any notable progress in this regard. Rather than conventional capital gains through asset sales, the market wants to see the strategic allocation of capital. What specific measures are being implemented to grow profits and reform business portfolios in pursuit of the ideal balance between capital efficiency and growth potential?

As you allude to, if we want to achieve future growth, management will need to alter the way it looks at things to formulate a vision for Tokyo Century a decade from now. Doing so will require us to have an accurate understanding of the operating conditions we face. I must admit that our focus on capital efficiency to date might have been a bit lacking. This is why we will need to pay even more attention to ROE, return on invested capital, and cash flows going forward. For this reason, we are currently working to enhance management accounting and build frameworks for swift decision-making regarding growth investments and the downsizing or discontinuation of existing businesses with an emphasis on capital efficiency. With such frameworks, we will look to better track the allocation of management resources while ramping up investments in previously unexplored areas to achieve future growth. We also recognize that M&A

activities are an important means of pursuing rapid growth. We therefore plan to conduct M&A activities while maintaining a disciplined approach utilizing thorough assessments of how such investments coincide with our strategies, the potential for sufficient returns, and the related governance considerations. If we want these strategies to be effective, we will need to address the structural lack of coordination currently being seen centered on operating segments, based on the recognition that our organization should be designed in a purpose-driven manner that is shaped by our strategies. The first step in this process will be to assess the products and services we supply, where and how they are supplied, and to whom. By seeking out the ideal organizational design for supporting the way we supply products and services, I aim to ensure that our reforms have the maximum benefits.

If the development of a management accounting platform were to support data-driven management decisions, I expect it would accelerate the capital recycling process.

Strategic asset replacement through capital recycling is indeed a vital part of business management. Accordingly, we will be revising our management resource allocations and reforming other aspects of our portfolio with a focus on the profitability and future potential of our businesses. No areas will be spared from review. When building our portfolio, we will focus on ensuring that our businesses are mutually complementary to make our portfolio resilient to changes in macroeconomic conditions and unforeseen developments and to create what I refer to as a “conglomerate premium.” My mission as president is to construct such a portfolio, linking all of Tokyo Century’s businesses through a consistent equity story.

Development of Foundations for Supporting Growth Story

As an investor, I focus on the degree to which I can expect Tokyo Century to grow five or even 10 years in the future, after the conclusion of Medium-Term Management Plan 2027. I believe a transition to a business model that is light on capital will be key to achieving long-term growth, and it is the Company’s people who will be driving this transition. I would therefore like to inquire into the capabilities of Tokyo Century’s people. From my perspective as an investor, I have high praise for how the Company is utilizing a wide variety of

mid-career hires, ranging from those who have only recently joined the workforce to those filling general manager-level positions. However, I also cannot ignore the Company’s slow progress toward its target for 2030 of a ratio of female managers among all managers of 30% and the lack of representation of diverse backgrounds among executives. How do you perceive these issues?

Over the next decade, I am committed to increasing Tokyo Century’s presence and reliability to take the Company to unprecedented

Dialogue Between an Institutional Investor and the President

heights. As you say, transitioning to a business model that is light on capital will be key to achieving fundamental improvements to our profitability and asset efficiency. To this end, I look to grow our fee businesses and asset management businesses by enhancing our ability to provide high-value-added services. Tokyo Century has many people who are well versed in their respective industries and have significant potential to grow. However, these people need to be inspired to hold a transformation-oriented mindset to propel them to tackle new challenges. Tokyo Century is poised to develop operations in business and service areas that banks cannot or will not enter as well as in niche fields without much competition from trading companies and other rivals. This position is also a strength, but taking advantage of this strength will require us to abandon our prior passive stance of responding to customer needs with financing. Rather, we must refine our ability to seek out appealing businesses in niche fields or in fields peripheral to financing so that we can compete by developing businesses and services. At the same time, we must embrace AI and other new technologies to transform and codify the tacit knowledge held by specific individuals to ensure that this knowledge can contribute to the enhancement of organizational capabilities. By advancing into new fields that our rivals will not consider, I aim to make Tokyo Century an inspiring focal point of social innovation and a place where employees feel proud to work.

Meanwhile, we are developing a workplace environment for promoting diversity with a focus on its most fundamental element: utilizing diverse values and ideas to drive our growth as a company. As you mentioned, we are actively recruiting mid-career hires. This is because I sense great potential from the rise in diversity that will result from the increase in people with diverse backgrounds among our staff. At the same time, empowering our female employees will continue to be a priority going forward, and we therefore plan to reinforce our frameworks for supporting women. We are also advancing a

project that entailed appointing junior employees to leadership positions with the goal of fostering management candidates capable of exercising autonomy and leadership.

Yabutani I have a lot of praise for Tokyo Century's partnership strategy; I believe it represents a unique strength of the Company. I also think that the way you organize joint investor relations events with your partners really shows the strength of your relationships. As an investor, I hope you will continue to expand the application of the partnership strategy while also enhancing the disclosure of related information. What do you think will be necessary for Tokyo Century to disclose information on this strategy and its earnings contributions in a way that is easier for stakeholders to understand? In particular, I would appreciate it if you could give us a picture of past investments and the returns on these investments.

Fujiwara I thank you for your praise of our partnership strategy. Through this strategy, I see the potential for us to leverage Tokyo Century's strengths in our various partnerships to further grow our business. Accordingly, we will be building upon our relationships with partners by ramping up coordination while optimizing internal frameworks.

I also recognize that the enhancement of information disclosure is imperative to ensuring that stakeholders can fully understand our growth story. Simply reporting on the successes of past investments will not be enough going forward. Rather, we must explain the strategic positioning of specific investments and illustrate the exact processes through which we will achieve growth in our business via partnerships. These explanations should help us earn higher levels of trust from stakeholders while making our equity story more convincing overall. In advancing our partnership strategy going forward, I, as president, look to practice extensive engagement with our partners and to disclose information on factors such as our outlook for growth in joint businesses in a more concise manner.

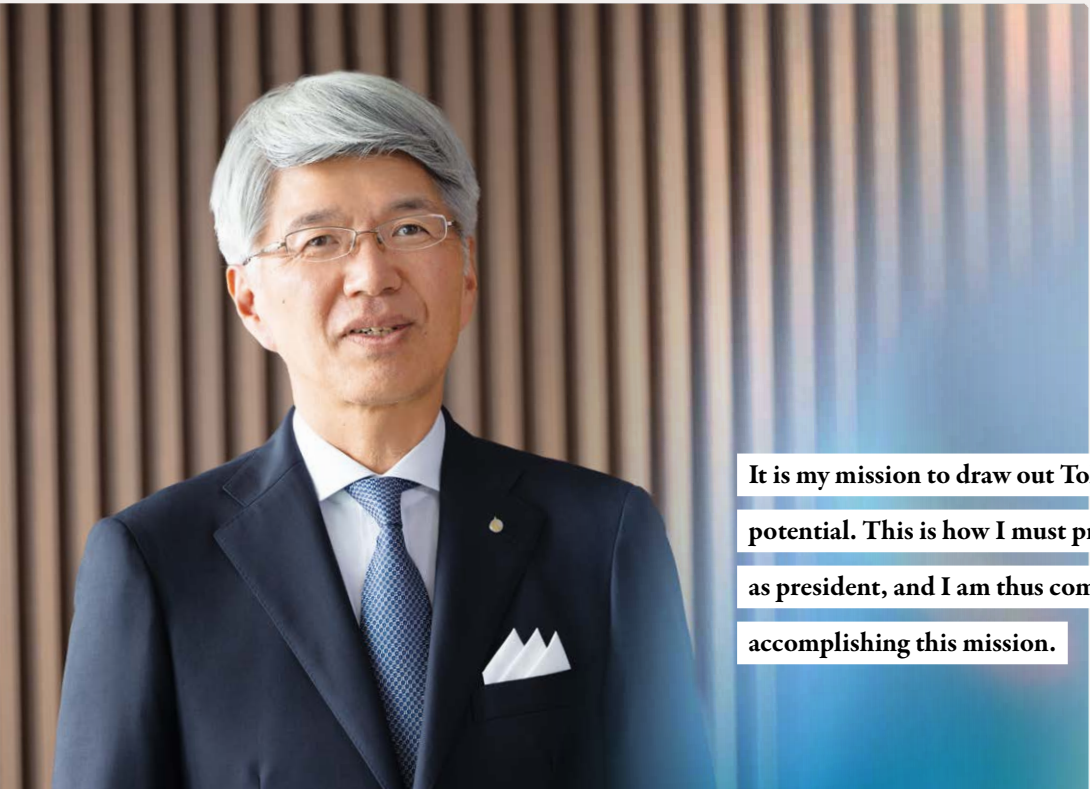
Persistent Issues Faced by Tokyo Century from the Perspective of Investors

Yabutani I think that increasing fluidity in terms of shares is a persistent issue faced by Tokyo Century. Low share fluidity is one factor that can limit share price growth and thus must be addressed from a long-term perspective. What are your thoughts regarding capital policies?

Fujiwara I too believe it is an issue that Tokyo Century's shares lack fluidity, which can make it difficult for investors to invest in us. This is not an

issue for which we can expect a quick resolution. It is therefore imperative that we take full advantage of our relationships with major shareholders to generate synergies.

As for capital policies, it is crucial to find the ideal balance between growth investments, risk buffers, and shareholder returns. I also intend to explain our coherent equity story to investors to foster a sense of anticipation regarding Tokyo Century's future growth potential and thereby help them better understand our stance toward prioritizing growth investments.



It is my mission to draw out Tokyo Century's potential. This is how I must produce results as president, and I am thus committed to accomplishing this mission.

Yabutani Shifting gears toward corporate governance, I would like to see Tokyo Century arrange opportunities to speak with its external directors. Tokyo Century has a very unique shareholder base. This means that it is incredibly important for external directors to speak on behalf of minority shareholders and to offer advice as a constructive critic of the Company.

Fujiwara You could not be more correct. Tokyo Century's external directors are contributing by supervising management and offering valuable advice from their independent perspectives. We will certainly examine the possibility of arranging opportunities for discussions between investors and external directors in the future.

Future Corporate Value Shaped by Dialogue

Yabutani Those investors who take the approach of active, long-term investment want to support the companies in which we invest. Specifically, we hope to contribute to improvements in corporate value by sharing with management insight into the global market and examples of beneficial initiatives by other companies.

Fujiwara Speaking with you today has cemented in my mind the importance of dialogue with stakeholders. I was previously placed in charge of an investor relations division. Since then, I have felt that the role of the investor relations function is to incorporate input from stakeholders into management. As president, I want to promote ongoing and constructive engagement with stakeholders to ensure that we can achieve this objective.

Our first step in promoting such engagement should be to present a vision for Tokyo Century that resonates with stakeholders. To this end, we must exercise effective accountability toward our shareholders. Specifically, we should present an equity story with a consistent internal logic and then paint a picture of how specific business,

financial, management infrastructure reform, human resource, and other strategies will fit into this story.

Tokyo Century has a number of unique strengths, such as its discerning eye for identifying the fundamental value of assets, capacity for collaboration with capable partners, and ability to integrate finance, businesses, and services. By capitalizing on these strengths, I look to foster a corporate culture in which all employees are encouraged to constantly engage with new challenges. Such a culture will be vital to supporting Tokyo Century becoming a company driving solutions to global social issues with an entrepreneurial spirit. It is my mission to draw out Tokyo Century's potential. This is how I must produce results as president, and I am thus committed to accomplishing this mission so that we can live up to the expectations of our stakeholders.

Yabutani Thank you for speaking with me today. I look forward to seeing the strategies you and Tokyo Century implement and the successes they create going forward.

Stakeholder Engagement for Corporate Value Enhancement Through Dialogue and Co-Creation

Dialogue with Stakeholders

Tokyo Century believes constructive dialogue with its diverse stakeholders is essential for achieving sustainable growth and enhancing corporate value. We view everyone involved in our business activities—including customers, business partners, shareholders, investors, financial institutions, local communities, and employees—as crucial partners. Through daily communication and various opportunities for dialogue, we strive to understand their expectations and requests. The valuable feedback obtained from such interactions is utilized in formulating management strategies and improving business activities, leading to the resolution of social issues and the creation of new value. We will continue to deepen our engagement with all stakeholders and promote management based on relationships of trust.



Customers and Business Partners

We will further improve our management system to provide the best possible products and services that satisfy our customers. Furthermore, with Tokyo Century and its partners both acting as proponents behind the development of businesses, we intend to advance a wide variety of businesses by expanding beyond conventional leasing and entering new business areas that will serve as growth drivers.

Key Activities and Venues for Communication

- ➔ Strengthening of partnerships
- ➔ Co-creation of value through open innovation
- ➔ Knowledge sharing on financial service planning and other initiatives
- ➔ Improvement of management systems
- ➔ Implementation of education and training programs, etc.

Shareholders, Investors, and Financial Institutions

Tokyo Century releases appropriate and unbiased information in a timely manner to stakeholders such as shareholders and investors and has established a system to ensure the transparency of Company activities from a fair disclosure perspective. We advance our investor relations activities with a focus on generating a cycle of proactive dialogue with shareholders and other investors and communicating the input and requests solicited thereby to management and employees.

Key Activities and Venues for Communication

- ➔ Shareholders' Meeting
- ➔ Annual securities reports and consolidated financial results
- ➔ Earnings calls (four times a year)
- ➔ Investor relations meetings, Company briefings, and business strategy briefings
- ➔ Information disclosure via corporate website, etc.

National and Regional Government Agencies, Local Communities, and NPOs

With compliance as the foundation of its management, Tokyo Century strives to establish a management structure that earns broad social trust. We actively engage in cleanup activities around our business sites and support the development of the next generation, while also promoting social contribution through donations to NPOs and other organizations. Furthermore, we contribute to solving policy issues such as tourism promotion and regional revitalization through our business activities, fulfilling our responsibilities toward achieving a sustainable society.

Key Activities and Venues for Communication

- ➔ Prevention of corruption
- ➔ Human rights initiatives
- ➔ Adherence with Basic Environmental Policy
- ➔ Cleanup and other community outreach activities
- ➔ Donations to environmental, welfare, education, disaster relief, and other priority fields, etc.

Employees

Aiming to be an organization filled with vitality and dynamism, Tokyo Century maintains a workplace environment that enables each and every employee to demonstrate their abilities to the fullest. We are actively working to heighten employee engagement. The input gained from employee engagement surveys is used in discussions by the Management Meeting and the Board of Directors for analyzing issues and planning future initiatives. Responding to such input is positioned as an important management priority.

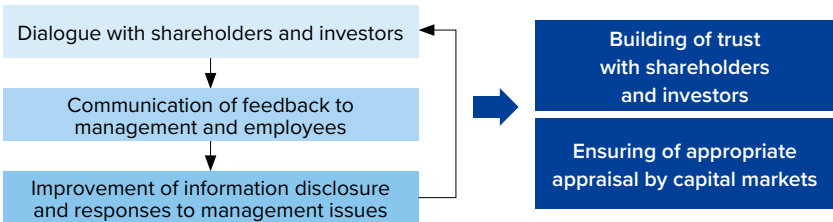
Key Activities and Venues for Communication

- ➔ Regular health checkups and stress checks for employees
- ➔ Employee engagement surveys
- ➔ 360° evaluations
- ➔ One-on-one meetings (periodic meetings for providing feedback pertaining to human resource evaluations, etc.)
- ➔ Internal reporting system, etc.



Investor Relations Activities

Tokyo Century actively promotes investor relations activities with a focus on generating a cycle of proactive dialogue with shareholders and investors and communicating the input and requests solicited thereby to management and employees. The input gained during the course of said activities is used to improve information disclosure and respond to management issues in order to build trust with shareholders and investors and ensure that capital markets accurately appraise the Company. This, in turn, is anticipated to contribute to higher corporate value over the medium to long term.



Meeting between sell-side analysts and President Koji Fujiwara

Main Investor Relations Activities

	Activities	Frequency in Fiscal 2023	Frequency in Fiscal 2024	Details
Analysts and institutional investors	Earnings calls	4 times	4 times	Quarterly earnings calls (Three-month and nine-month calls led by the officer responsible for investor relations; six-month and full-year briefings led by the president)
	Individual meetings	260 times	280 times	Meetings with analysts and institutional investors in Japan and overseas
	Investor briefings	4 times	3 times	Investor briefings led by the president and the officer responsible for investor relations
	Business strategy briefings	1 time	3 times	Business strategy briefings for institutional investors in Japan and overseas
	Overseas roadshows	3 times	3 times	Face-to-face meetings between the president and investor relations representatives and overseas institutional investors
Private investors	Company briefings	1 time	2 times	Briefings on the Company, business strategies, shareholder return policies, etc.

Investor Relations Topics

Examples of Improvements Based on Feedback from Shareholders and Investors

Opinions and expectations from shareholders and investors are utilized in management to refine our business models and create new value. Examples of improvements in fiscal 2024 are as follows.

- Disclosure of Data Book
- Disclosure of net income targets by operating segment
- Clarification of progressive dividend policy
- Revision of officer compensation system

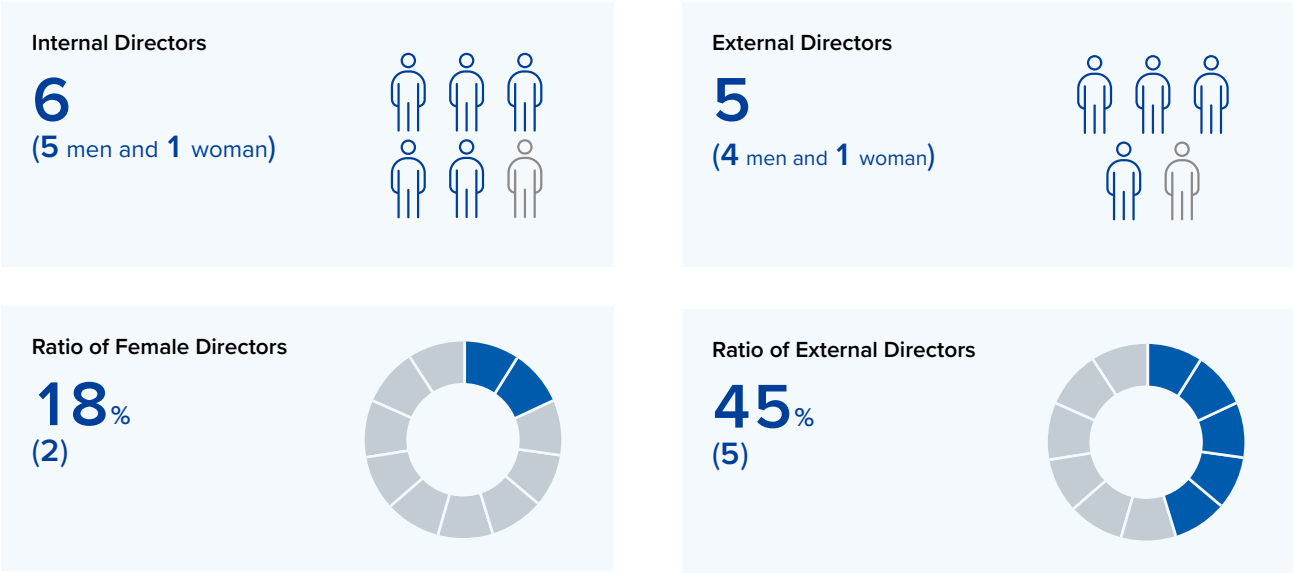
Third Consecutive Year of Recognition as Most-Improved Integrated Report by Domestic Stock Management Institutions of GPIF

Every year, the institutions contracted to manage the domestic stock holdings of the Government Pension Investment Fund (GPIF) name a number of excellent integrated reports and most-improved integrated reports from Japanese companies. In 2024, Tokyo Century's *Integrated Report 2024* was one of the 93 selected as most-improved integrated reports. This is the third consecutive year in which Tokyo Century's integrated report has been recognized in this manner. Tokyo Century is committed to enhancing the quality of disclosure through its integrated reports and other investor relations tools in order to facilitate dialogue with investors and other stakeholders and thereby improve corporate value.

Evolution of Tokyo Century’s Corporate Governance System

Composition of Board of Directors Contributing to Improved Corporate Value (As of June 23, 2025)

Tokyo Century seeks to ensure that its Board of Directors is able to appropriately exercise its management oversight and advisory functions. To this end, we are implementing various diversity-minded initiatives, including increasing the numbers of female and external directors, to strengthen corporate governance.



Major Items Raised at Meetings of the Board of Directors in Fiscal 2024

Management strategies and sustainability	<ul style="list-style-type: none">Profit target formulation and progress managementReports from Sustainability Committee	General Meeting of Shareholders, investor relations, and stocks	<ul style="list-style-type: none">Investor relations activity reportsGeneral Meeting of Shareholders
Officers	<ul style="list-style-type: none">Nomination and appointment of officersDirector compensationReports on conflicts of interest among directorsDirectors and officers liability insurance policiesAllocation of stock options	Risk management, compliance, and auditing	<ul style="list-style-type: none">Compliance initiative plans, status reportsAudit plans, implementation reportsRisk management status reports
Governance	<ul style="list-style-type: none">Evaluation of Board of Directors' effectiveness and report thereonDetails of meetings of the Nomination Committee and the Compensation CommitteeVerification of holding rationale of cross-shareholdingsDecision on the details of the officer compensation system	Individual items, etc.	<ul style="list-style-type: none">Stock acquisitions/sales and investments exceeding predetermined amountInvestment management framework monitoring reportSystem investmentFund procurement in fiscal 2024

Evaluation of the Effectiveness of the Board of Directors and Issues

The Board Effectiveness Review Council serves as an advisory body to the Board of Directors. This council, which is composed of independent external directors and corporate auditors, is principally held once a year. The council analyzes and reviews the effectiveness of the Board of Directors, focusing on its supervisory functions, the status of deliberations, systems, and meeting proceedings, while taking into account the self-evaluations submitted by all directors.

Fiscal 2024 Evaluation	<p>Medium-Term Management Plan 2027</p> <p>The Board of Directors discussed actions needed in key areas. These included measures to improve share prices based on management emphasizing cost of capital and share prices; solving organizational issues by operating segment based on the employee engagement survey results; and determining the initiatives to achieve the goals of Medium-Term Management Plan 2027 and ensure sustainable growth.</p> <p>Independent external directors</p> <p>At meetings of the Board of Directors, Nomination Committee, Compensation Committee, Board Effectiveness Review Council, etc., independent external directors appropriately fulfilled their roles and responsibilities, including management oversight. They achieved this by actively offering objective opinions, leveraging their diverse knowledge from their independent standpoints.</p> <p>Composition of the Board of Directors</p> <p>The composition was appropriate and proper as diversity was promoted, further enhancing the balance of knowledge, experience, and abilities. It is essential to further deepen discussions on the nature of the oversight function from the perspective of improving the effectiveness of the Board of Directors. It is also necessary to continue to consider diversity, including the internal and external composition of the Board of Directors, as well as gender and internationality.</p>
Initiative Policy for Fiscal 2025	<p>The Board of Directors shall engage in more in-depth discussions on the improvement of the Company's corporate value and the direction of the business portfolio strategy, focusing on specific themes. It shall also promote a review of Board of Directors' meeting agenda items and themes to ensure opportunities for discussion.</p>

Training and Information Provision for Directors and Corporate Auditors

Tokyo Century offers opportunities for directors and corporate auditors, including newly appointed ones, to deepen their understanding and continuously acquire and update the necessary knowledge to appropriately fulfill their expected roles and responsibilities in corporate governance. Upon appointment, the Company provides them with a comprehensive explanation of its business, financial situation, organization, and corporate governance structure. Even after appointment, the Company regularly organizes training sessions and information-sharing meetings for officers to help deepen their understanding of changes in the management environment and important issues.

In addition, prior to meetings of the Board of Directors, Tokyo Century provides preliminary explanations of the agenda items and actively strives to create opportunities for discussion with the executive side. This practice helps correct information gaps between internal and external parties.

Officer training sessions	<p>In principle, off-site meetings are held twice a year to discuss key management issues. These topics include the medium-term management plan, management emphasizing cost of capital and share prices, and digital transformation. The goal is to gain a better understanding of the matters necessary to make future management decisions.</p>
Free discussions	<p>Free discussions on various management issues are arranged as necessary after meetings of the Board of Directors.</p>
Others	<p>In addition to the above, meetings of division and branch heads and other opportunities are used to deepen the understanding of conditions and management issues in specific operating segments, and information-sharing meetings for external directors are also organized.</p>



Off-site officer training session












Evolution of Tokyo Century’s Corporate Governance System

*1 “Outside director” as stipulated by Article 2-15 of the Companies Act of Japan
*2 “Outside company auditor” as stipulated by Article 2-16 of the Companies Act of Japan
*3 Designated independent director or auditor as stipulated by the Tokyo Stock Exchange
*4 Number of meetings attended since assuming office as director (or corporate auditor) in June 2024
*5 Assumed office as director in June 2025





Committee membership legend:
ALM : Asset Liability Management Committee IC : Internal Control Committee CR : Comprehensive Risk Management Committee
CRM : Credit Risk Management Committee IT : IT and Administration Strategy Management Committee S : Sustainability Committee
IM : Investment Management Committee Chairperson

Management Team (As of June 23, 2025)

Directors

Name	Years of Service	Attendance at Board of Directors' Meetings (FY2024)	Number of Shares of the Company's Stock Held (in Thousands)	Areas of Expertise and Expected Contributions						Committee Appointments (◎: Chairperson)			Reasons for Appointment	Significant Concurrent Positions
				Corporate Management	Global Operations	Finance / Risk Management	Legal Affairs / Accounting / Taxation	Sustainability	IT / Digital Transformation	Nomination Committee	Compensation Committee	Other		
 Masataka Yukiya Chairman & Co-CEO, Representative Director	14	13/13 (100%)	40.5	●		●		●	●	●	●	ALM IT	Based on his extensive experience and broad knowledge gained through corporate management and operational execution in fields including sales and finance at ITOCHU Corporation, Mr. Yukiya is deemed capable of appropriately managing and overseeing the Company, thereby contributing to its ongoing growth and improvement of corporate value.	—
 Koji Fujiwara President & CEO, Representative Director	1	11/11 (100%)*4	1.5	●	●	●		●		●	●	ALM IT	Based on his extensive experience and broad knowledge gained from his long tenure in corporate management as the president of Mizuho Bank, Ltd., Mr. Fujiwara is deemed capable of appropriately managing and overseeing the Company, thereby contributing to its ongoing growth and improvement of corporate value.	—
 Akio Nakamura External Director ^{*1,3}	9	13/13 (100%)	14.6	●		●	●			●	◎	—	Based on the wealth of insight into government finance and taxation gained through his experience as director-general of the Financial Bureau of the Ministry of Finance, Mr. Nakamura is deemed capable of providing accurate advice on the Company's overall management from an objective standpoint and offering management oversight from an independent perspective, thereby contributing to its ongoing growth and improvement of corporate value.	Special Partner, Tanabe & Partners Representative Executive Officer, President and CEO, Japan Securities Depository Center, Incorporated President and CEO, JASDEC DVP Clearing Corporation Outside Director (Audit and Supervisory Committee Member), ipet Insurance Co., Ltd.
 Toshio Asano External Director ^{*1,3}	6	13/13 (100%)	10.0	●	●			●		◎	●	—	Based on his extensive experience and broad knowledge gained through his involvement in corporate management as an executive at Asahi Kasei Corporation, Mr. Asano is deemed capable of utilizing this expertise in the management of the Company and providing management oversight from an independent perspective, thereby contributing to its ongoing growth and improvement of corporate value.	Outside Director, Medipal Holdings Corporation Outside Director, Daicel Corporation Special Advisor, Asahi Kasei Corporation Chairman, Cancer Institute Foundation
 Miho Tanaka External Director ^{*1,3}	4	13/13 (100%)	0.9			●	●	●		●	●	—	Based on her abundant knowledge and experience, particularly in corporate legal affairs and M&A, as an attorney, Ms. Tanaka is deemed capable of utilizing this exceptional insight and expertise in the management of the Company and providing management oversight from an independent perspective, thereby contributing to its ongoing growth and improvement of corporate value.	Partner, Shiba & Tanaka Law Office Outside Director, Solasto Corporation Supervisory Director, marimo Regional Revitalization REIT, Inc. Supervisory Director, JINUSHI Private REIT, Inc.
 Tsuyoshi Numagami External Director ^{*1,3}	3	13/13 (100%)	6.9	●	●			●		●	●	—	Based on his deep academic knowledge as a corporate management researcher—particularly in corporate strategy and organizational structure—gained through his experience as professor emeritus of Hitotsubashi University, Mr. Numagami is deemed capable of utilizing his exceptional insight and knowledge in the management of the Company and providing management oversight from an independent perspective, thereby contributing to its ongoing growth and improvement of corporate value.	Professor Emeritus, Hitotsubashi University Outside Audit & Supervisory Board member, JFE Holdings, Inc. Professor, Waseda University Institute for Business and Finance Outside Director, EBARA CORPORATION
 Hiroshi Ogasawara External Director ^{*1,3}	1	11/11 (100%)*4	0.5	●	●			●	●	●	●	—	Based on his extensive experience and broad knowledge gained from his long tenure in corporate management as an executive at YASKAWA Electric Corporation, Mr. Ogasawara is deemed capable of utilizing this expertise in the management of the Company and providing management oversight from an independent perspective, thereby contributing to its ongoing growth and improvement of corporate value.	Representative Director, Chairman of the Board, YASKAWA Electric Corporation Outside Director, Kyushu Railway Company
 Mahoko Hara Director, Senior Managing Executive Officer	3	13/13 (100%)	12.0		●	●		●	●	—	—	—	Based on her extensive experience and broad insight gained in operational execution in fields including planning and product development at The Dai-ichi Kangyo Bank, Ltd. and Shinsei Bank, Ltd., as well as overseas and sales at the Company, Ms. Hara is deemed capable of utilizing this expertise in appropriately managing and overseeing the Company, thereby contributing to its ongoing growth and improvement of corporate value.	Executive Chairperson, Aviation Capital Group LLC
 Tatsuya Hirasaki Director, Senior Managing Executive Officer	4	13/13 (100%)	18.0			●	●	●	●	—	—	ALM IC CR CRM IT S IM	Based on his extensive experience and broad knowledge gained in operational execution in fields including accounting and corporate planning at the Company, Mr. Hirasaki is deemed capable of utilizing this expertise in appropriately managing and overseeing the Company, thereby contributing to its ongoing growth and improvement of corporate value.	Outside Director, MUFG Finance & Leasing Co., Ltd.
 Takashi Yonetsu Director, Senior Managing Executive Officer	—*5	—*5	6.5			●	●	●		—	—	ALM CR	Based on his extensive experience and broad insight gained in operational execution in fields including finance at Mizuho Bank, Ltd. and the Company, Mr. Yonetsu is deemed capable of utilizing this expertise to contribute to the Company's ongoing growth and medium- to long-term improvement of corporate value.	—
 Masahiro Imai Director	—*5	—*5	—	●	●			●		—	—	—	Based on his extensive experience and broad insight gained through corporate management at ITOCHU Corporation, Mr. Imai is deemed capable of utilizing this expertise to contribute to the Company's ongoing growth and medium- to long-term improvement of corporate value.	—

Corporate Auditors

Name	Attendance at Audit and Supervisory Board Meetings (FY2024)	Number of Shares of the Company's Stock Held (in Thousands)	Significant Concurrent Positions	Name	Attendance at Audit and Supervisory Board Meetings (FY2024)	Number of Shares of the Company's Stock Held (in Thousands)	Significant Concurrent Positions
 Katsuya Amamoto Standing Corporate Auditor	8/8 (100%)	20.9	Auditor, Amada Lease Co., Ltd. Auditor, ITOCHU TC Construction Machinery Co., Ltd. Auditor, NX・TC Lease & Finance Co., Ltd. Auditor, IHI Finance Support Corporation	 Masao Fujieda Corporate Auditor External Corporate Auditor ^{2,3}	8/8 (100%)	—	Representative, Fujieda Masao Tax Accounting Office Auditor, NIP Corporation
 Yoshio Nomura Standing Corporate Auditor	8/8 (100%)	79.1	Auditor, Nippon Car Solutions Co., Ltd. Auditor, FFG Lease Co., Ltd. Auditor, A&Tm Corporation Auditor, Orico Business Leasing Co., Ltd. Auditor, Orico Auto Leasing Co., Ltd.	 Maiko Chihara Corporate Auditor External Corporate Auditor ^{2,3}	6/6*4 (100%)	—	Partner, Kataoka & Kobayashi Legal Professional Corporation Supervisory Officer, Tokio Marine Private REIT, Inc. Outside Director (Audit and Supervisory Committee Member), Visional, Inc. Outside Director (Audit and Supervisory Committee Member), Mitsui DM Sugar Co., Ltd.

Evolution of Tokyo Century's Corporate Governance System

Management Structure Comprising Optimal Committees

➔ Board of Directors

The Board of Directors deliberates on and makes decisions about the policies, strategies, business plans, and other key management issues of the Company and Group companies as well as matters specified by prevailing laws and regulations, the Articles of Incorporation, and rules governing the Board. It also supervises the execution of operations by directors and executive officers.

Chairperson: Koji Fujiwara, President & CEO,
Representative Director
(as determined by resolution of the Board of Directors)

Number of Members: **11**
(including 5 external directors)

➔ Board of Corporate Auditors

The Board of Corporate Auditors meets regularly and executes independent and fair audits of the compliance and appropriateness of corporate activities, including the performance of duties by directors and executive officers.

Chairperson: Katsuya Amamoto,
Standing Corporate Auditor

Number of Members: **4**
(including 2 external corporate auditors)

➔ Management Meeting

The meeting deliberates on particularly important matters concerning the execution of operations and makes decisions for the Tokyo Century Group.

Chairperson: Koji Fujiwara
Number of Members: **7**

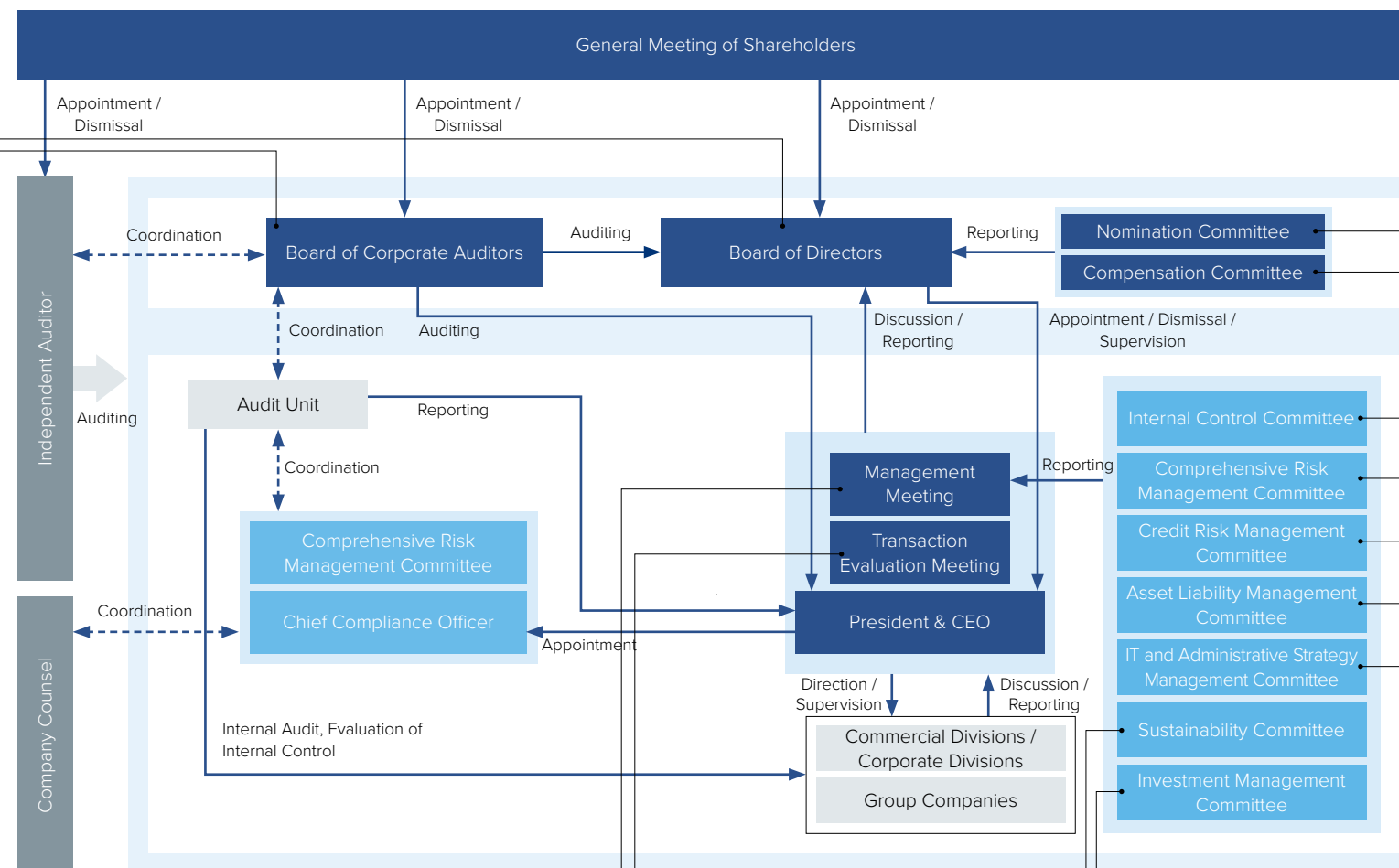
Once
a week, in
principle

➔ Transaction Evaluation Meeting

The meeting discusses and makes decisions about major business transactions being considered by Tokyo Century and Group companies as well as transactions that warrant complex risk analysis.

Chairperson: Seiji Tsuboi, Executive Officer
Number of Members: **8**

Once
a week, in
principle



➔ Nomination Committee

The committee serves as an advisory body to the Board of Directors and is primarily composed of external directors. It deliberates on the nomination of candidates for director and corporate auditor positions and reports to the Board of Directors.

➔ Compensation Committee

The committee serves as an advisory body to the Board of Directors and is primarily composed of external directors. It discusses matters such as director compensation systems and policies and reports to the Board of Directors.

➔ Internal Control Committee

The committee discusses general internal control matters, including the evaluation of the effectiveness of the financial reporting system and the scope of evaluation, in order to ensure the internal control system functions effectively, and reports to the Management Meeting.

➔ Comprehensive Risk Management Committee

The committee discusses matters such as the construction of the risk management system and approaches to measuring risk while periodically assessing the Company's risk exposure and reporting to the Management Meeting.

➔ Credit Risk Management Committee

The committee discusses matters including the Tokyo Century Group's credit portfolio as a whole and credit risk management and reports to the Management Meeting.

➔ Asset Liability Management Committee

The committee discusses matters relevant to managing market, liquidity, and other risks—in order to identify and minimize the exposure of assets and liabilities to risks, including fluctuations in interest and foreign currency exchange rates—and reports to the Management Meeting.

➔ IT and Administration Strategy Management Committee

The committee discusses matters including the IT strategies, IT investment plans, and administrative system plans of Tokyo Century and Group companies and reports to the Management Meeting.

➔ Investment Management Committee

The committee facilitates appropriate investment management by deliberating on matters related to the development and implementation of investment management structures and the assessment of large-scale investment projects and reports to the Management Meeting.

➔ Sustainability Committee

The committee plans, promotes, and oversees the Tokyo Century Group's sustainability activities, discusses important issues related to sustainability, and reports to the Management Meeting.

Meetings Held in Fiscal 2024

Evolution of Tokyo Century’s Corporate Governance System

Officer Compensation

Officer Compensation System Policies

As part of the officer compensation system, director compensation policies call for the provision of healthy incentives to contribute to the ongoing growth of the Company and frameworks for linking compensation to the medium- to long-term development of its businesses. The system for director compensation is designed to raise directors’ awareness regarding the enhancement of shareholder value by aligning the interests of directors with those of shareholders. Moreover, this system aims to attract outstanding talent in order to allow the Company to recruit and cultivate individuals who can drive the improvement of the Company’s corporate value.

Revision of Officer Compensation System and Goals Thereof

The Company resolved to revise its officer compensation system and to introduce a performance-linked stock compensation plan at the 55th Annual General Meeting of Shareholders on June 24, 2024. The new plan further clarifies how compensation paid to directors and officers is linked to the business performance and stock value of the Company by having them share both the benefits of stock price increases and the risk of stock price declines with shareholders, in order to raise the awareness of directors and officers so they will contribute to improving business performance and to enhancing corporate value over the medium to long term.

Overview of Revision

- ➔ Transition from quantitative and qualitative evaluation based on ordinary income when determining performance-based compensation to evaluation based on indicators prescribed by Medium-Term Management Plan 2027
- ➔ Abolition of stock options as portion of performance-based compensation and introduction of new Board Benefit Trust-Restricted Stock (BBT-RS) system
- ➔ Evaluation under new system in fiscal 2024 and commencement of compensation based on evaluation under new system in fiscal 2025

Key Points of Revision

- 1

Adoption of net income attributable to owners of parent, consolidated ROA, and consolidated ROE, indicators for which targets have been set in the medium-term management plan, as financial indicators for determining performance-based compensation
- 2

Definition of “Achievement in TCX (TC Transformation)—Promotion of ESG Initiatives/Value Creation Process—” as non-financial indicator for determining performance-based compensation
- Achievement in TCX (TC Transformation)—Promotion of ESG Initiatives/Value Creation Process

Portfolio Transformation	■ Assessment of qualitative improvements not reflected by financial indicators of ROA and ROE ■ Evaluation of growth investments that contribute to improvements in future profitability
Human Resource and Organizational Transformation	■ Revision of training, career development support, compensation, and evaluation systems; reevaluation of organizational roles and positioning; and promotion of reforms to organizational culture ■ Reflection of Companywide employee engagement survey results in evaluations
Green Transformation	■ Creation of carbon-neutrality-related businesses and promotion of cross-organizational coordination
Digital Transformation	■ Utilization of digital technologies to improve operational efficiency, streamline and increase profitability in existing businesses, and create new businesses
- 3

Implementation of provisions to align officers’ interests with those of stakeholders and to heighten awareness for improvements in shareholder value

Compensation Committee

Overview of the Compensation Committee

Tokyo Century has established the Compensation Committee as an advisory body to the Board of Directors in order to ensure the independence of its functions. This committee comprises a majority of independent external directors. The Compensation Committee discusses matters such as compensation amounts, systems, and policies and reports to the Board of Directors on these matters.

Committee Members

Chairperson:	External Director	Akio Nakamura	Total 7 members
Members:	External Directors	Toshio Asano, Miho Tanaka, Tsuyoshi Numagami, Hiroshi Ogasawara	
	Directors	Masataka Yukiya, Koji Fujiwara	

Number of Meetings Held in Fiscal 2024

5 times

Major Topics of Discussions

The Compensation Committee deliberated on the details of the evaluation method for performance-based compensation (officer bonuses and stock compensation) revised by the resolution of the General Meeting of Shareholders in fiscal 2024 and on officer compensation in fiscal 2025.

Officer Compensation System

	Basic Compensation	Bonuses	Stock-Based Compensation (BBT-RS)																			
	Fixed Compensation	Short-Term Performance-Based Compensation	Medium- to Long-Term Performance-Based Compensation																			
Fixed / variable compensation	Determined based on comprehensive consideration of duties, roles, and responsibilities	Determined according to achievements and performance	Number of shares determined based on medium- to long-term business performance, including initiatives that contribute to the enhancement of the Company's corporate value and its business performance over the medium to long term																			
Ratios of compensation (Basic compensation indexed to 1)	1.0	<table><tr><td>Representative directors</td><td>0–0.8</td><td>0–1.2</td></tr><tr><td>Directors</td><td>0–1.0</td><td>0–1.0</td></tr></table>	Representative directors	0–0.8	0–1.2	Directors	0–1.0	0–1.0														
Representative directors	0–0.8	0–1.2																				
Directors	0–1.0	0–1.0																				
Process for determining individual compensation amounts	Decision by president based on authority delegated by the Board of Directors and with reference to report submitted by the Compensation Committee, input from external experts, and research data on compensation levels by third-party institutions																					
Evaluation / payment standards	Rank (Duties, roles, responsibilities, etc.)	<table><tr><td>Net income attributable to owners of parent 1</td><td>Financial</td><td>Consolidated ROA and ROE 1</td></tr><tr><td>Fiscal 2024 Performance</td><td></td><td>Fiscal 2024 Performance</td></tr><tr><td>¥85,279 million</td><td></td><td>ROA 1.3%; ROE 9.0%</td></tr></table>	Net income attributable to owners of parent 1	Financial	Consolidated ROA and ROE 1	Fiscal 2024 Performance		Fiscal 2024 Performance	¥85,279 million		ROA 1.3%; ROE 9.0%	<table><tr><td>Non-financial</td><td>TCX Initiatives 2</td></tr><tr><td></td><td>Evaluation is determined through deliberation by the Compensation Committee.</td></tr><tr><td>Market evaluation</td><td>The Company's stock price growth rate 3</td></tr><tr><td></td><td>Fiscal 2024 Performance</td></tr><tr><td></td><td>94% (The Company's stock price growth relative to TOPIX)</td></tr></table>	Non-financial	TCX Initiatives 2		Evaluation is determined through deliberation by the Compensation Committee.	Market evaluation	The Company's stock price growth rate 3		Fiscal 2024 Performance		94% (The Company's stock price growth relative to TOPIX)
Net income attributable to owners of parent 1	Financial	Consolidated ROA and ROE 1																				
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Market evaluation	The Company's stock price growth rate 3																					
	Fiscal 2024 Performance																					
	94% (The Company's stock price growth relative to TOPIX)																					
Payment form / timing	Monetary / monthly	Monetary / once a year	<div>Stock / once a year</div> <div>Transfer restriction applied for a set period after resignation</div> <div>Note: Monetary payments equivalent to a predetermined amount of issued stock are made after retirement. Malus clauses are applied.</div>																			
Annual compensation limits	Upper limit of ¥1 billion (¥100 million for external directors)		<div>Upper limit of 281,300 points (equivalent to 281,300 shares)</div> <div>Not including executive officer compensation</div>																			
Date of resolution at General Meeting of Shareholders	June 24, 2016		June 24, 2024																			
Note: External directors are only paid basic compensation.			<div>Provisions introduced as part of revision</div>																			

Payment of Officer Compensation Amounts

Compensation and Eligible Officers in Fiscal 2024

Officer Category	Total Compensation (Millions of Yen)	Total Compensation by Type (Millions of Yen)			Number of Eligible Officers
		Fixed Compensation	Performance-Based Compensation	Non-Monetary Compensation	
Directors (excluding external directors)	810	368	197	245	8
Corporate auditors (excluding external corporate auditors)	51	51	—	—	2
External directors and external corporate auditors	126	126	—	—	10

Notes: 1. Stock options provided as performance-based compensation, as well as stock-based compensation under the BBT-RS system, are accounted for under “Non-monetary compensation,” although they constitute performance-based compensation. Accordingly, amounts of stock options provided as stock-based compensation, as well as stock-based compensation under the BBT-RS system, are not included under “Performance-based compensation.”
2. The total amounts of compensation mentioned above include payments to two directors and one corporate auditor who retired as of June 24, 2024.

Nomination Committee

Message from the Chairperson of the Nomination Committee



Toshio Asano
External Director, Chairperson
of the Nomination Committee

As an advisory body to the Board of Directors, the Nomination Committee deliberates and reports on the president succession plan, the appointment and dismissal of directors, and the selection and dismissal of the president.

In fiscal 2024, in selecting the next candidate for president, we conducted interviews with the candidates to determine their suitability for the role. After deliberation in the committee, with the unanimous agreement of all members, we recommended the candidate to the Board of Directors.

The Nomination Committee also continuously discusses the development of future management candidates who will be responsible for the Company’s future.

We will continue to contribute to the further enhancement of Tokyo Century’s corporate value by promoting lively discussions at meetings of the Board of Directors through the pursuit of a highly effective officer composition that can leverage diverse knowledge.

Nomination Committee

Overview of the Nomination Committee

As an advisory body to the Board of Directors, Tokyo Century has established the Nomination Committee primarily consisting of external directors. The committee deliberates on the nomination of candidates for director and corporate auditor positions and reports to the Board of Directors.

Committee Members

Chairperson:	External Director	Toshio Asano	Total 7 members
Members:	External Directors	Akio Nakamura, Miho Tanaka, Tsuyoshi Numagami, Hiroshi Ogasawara	
	Directors	Masataka Yukiya, Koji Fujiwara	

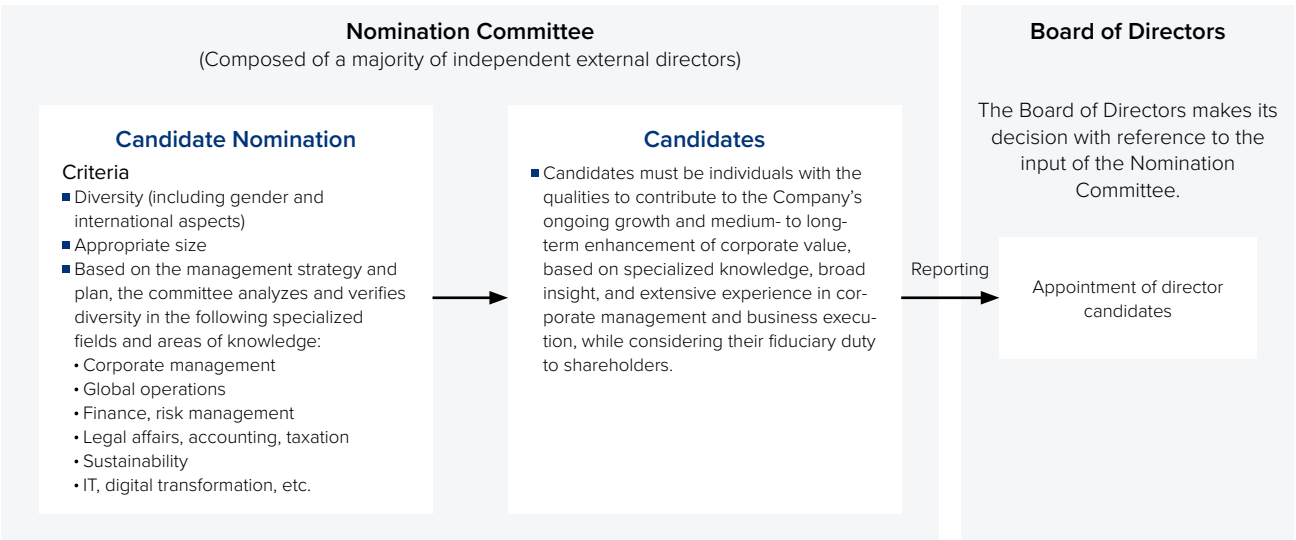
Number of Meetings Held in Fiscal 2024

8 times

Main Topics of Discussions

The Nomination Committee deliberated on the selection of the next president, the appointment of director candidates, and the skills and expertise (skill matrix) required of its directors based on its management strategy.

Nomination Process



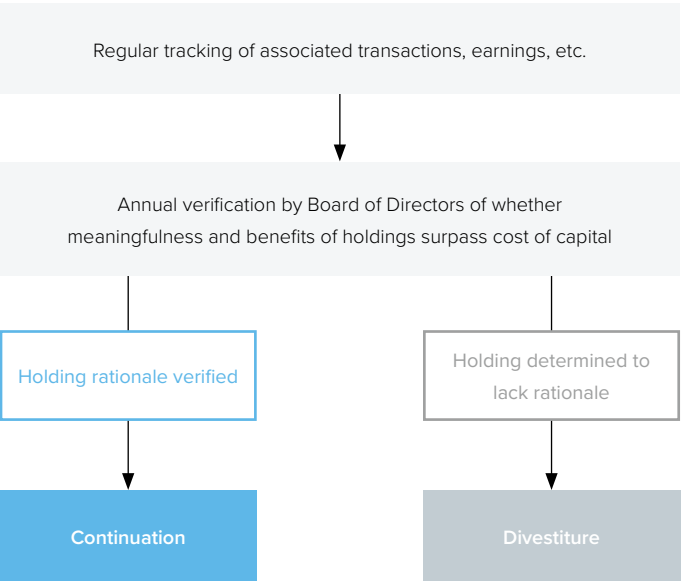
Cross-Shareholdings

The Company holds investment securities for purposes other than pure investment. These securities are the shares of the stock issued by important stakeholders of the Tokyo Century Group, including business partners, shareholders, and lenders, and are held based on their necessity to the medium- to long-term business activities of the Company.

Policy on the Exercise of Voting Rights

The decision to approve or reject agenda items is made by the division in charge of exercising voting rights (the Corporate Planning Unit) after consultation with commercial divisions and the Credit Supervision Unit, among others. The Company has also established internal procedures regarding the exercise of voting rights to provide a checklist and clarify the related process. With regard to items that may damage the corporate value of the issuer of the shares or Tokyo Century’s interests as a shareholder, we determine approval or rejection after confirming the content and impact.

Process for Reviewing Holdings

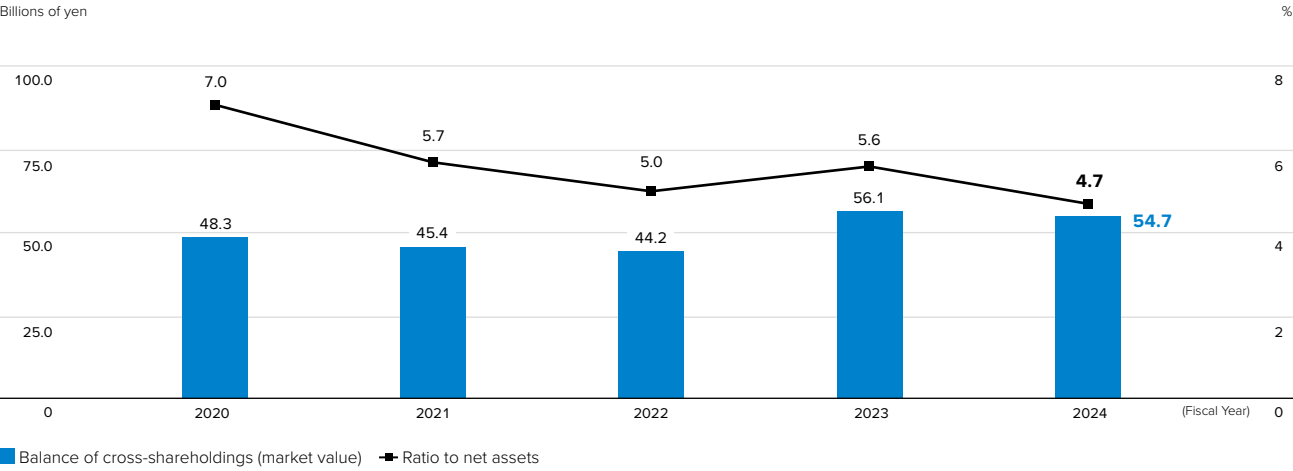


Divestitures

Number of holdings reduced and sales amounts

	Number of Holdings Reduced	Sales Amounts (Billions of yen)
FY2020	9	2.9
FY2021	4	0.5
FY2022	15	5.6
FY2023	5	1.1
FY2024	8	11.4
5-year aggregate	41	21.4

Balance of Cross-Shareholdings and Ratio to Net Assets



Evolution of Tokyo Century’s Corporate Governance System

Protection of Minority Shareholders

ITOCHU Corporation owns 29.99% of the voting rights in Tokyo Century, and the Company is thus an equity-method affiliate of ITOCHU. No ITOCHU officers concurrently serve as officers of the Company. However, ITOCHU has seconded 15 individuals to the Company who have immediately applicable skills necessary for supplementing the Company’s operational execution capabilities (as of April 1, 2025).

The Company engages in business transactions with ITOCHU and ITOCHU Group companies. Negotiations regarding said transactions are conducted with these companies on an individual basis, as would be done with a standard transaction counterparty, and the Company’s own decision criteria are applied to these transactions. Accordingly, ITOCHU does not impose any restrictions on the business activities of the Company, and the Company maintains a certain degree of independence from ITOCHU. We are determined to ensure that this relationship does not threaten the interests of minority shareholders.

Board of Corporate Auditors

Overview of the Board of Corporate Auditors

The Board of Corporate Auditors is composed of a total of four members: two standing corporate auditors and two part-time corporate auditors (external auditors). It meets regularly and executes independent and fair audits of the compliance and appropriateness of corporate activities, including the performance of duties by directors and executive officers.

System to Ensure Effective Auditing by Corporate Auditors

- Tokyo Century has established the following system to ensure that audits by corporate auditors are conducted effectively.
- Corporate auditors attend meetings of the Board of Directors, Management Meeting, Transaction Evaluation Meeting, etc., to receive important reports.
 - Reports are also made to corporate auditors in the case of reports through the consultation and reporting system, or in the event of crisis situations such as fraudulent incidents or large-scale disasters. Regarding reports through the consultation and reporting system, a standing corporate auditor serves as one of the internal contact points.
 - Corporate auditors can view important documents related to management at any time.
 - Officers and employees of the Company and its Group companies are required to promptly report on matters related to the execution of their duties when requested by a corporate auditor.
 - The Auditors Office is established under the corporate auditors, and employees are assigned as staff to assist corporate auditors in their duties. Furthermore, the independence of these employees from the directors is ensured by, for example, obtaining the prior consent of corporate auditors for their personnel transfers and evaluations.
 - The president and corporate auditors hold regular meetings to facilitate mutual communication.
 - Corporate auditors collaborate with the independent auditor and the internal audit department on a regular basis and as needed to exchange opinions and information.

Activities of Corporate Auditors and the Board of Corporate Auditors

Corporate auditors attend meetings of the Board of Directors, the Management Meeting, and seven key committees, including the Investment Management Committee, and other important meetings. They audit the status of duty execution by directors and executive officers, the status of the development and operation of the internal control system, the content of deliberations at each meeting body, and express their opinions as necessary.

Having set the confirmation of the development status of the internal control system and the deepening of involvement in Group company audits as key audit items, the Board of Corporate Auditors has established audit policies and division of duties. It receives reports from each corporate auditor on the status and results of their audits, as well as reports from the Board of Directors and the independent auditor on the progress of their duties, and requests explanations as necessary. To share information with part-time auditors, the Board of Corporate Auditors reports on important matters and cases that are not brought before the Board of Directors as needed. Furthermore, standing corporate auditors concurrently serve as auditors of major affiliated companies, and through close collaboration with the auditors of each company, they seek to thoroughly implement Group governance while understanding the actual situation of each company.

Their responsibilities also include investigating the permeation of management policies throughout the organization and frontline conditions through on-site audits of domestic branches and divisions and overseas subsidiaries. Corporate auditors, including part-time auditors, hold discussions with management through regular opinion exchange meetings with representative directors.

Members

Standing Corporate Auditors	Katsuya Amamoto, Yoshio Nomura	Total
External Corporate Auditors	Masao Fujieda, Maiko Chihara	4 members

Meetings Held in Fiscal 2024

8 times (average duration per meeting: approx. 1 hour)
Total number of agenda items discussed: 36

Internal Audit System

KEY POINT

Objective and Independent Audit System

The Audit Unit has been established as an independent organization under the direct control of the president and is tasked with performing internal audits of Tokyo Century and Group companies. Internal audits are aimed at assuring the appropriateness of the Company’s systems, organizations, and rules; whether all business activities comply with relevant laws and regulations and internal rules; and whether operating processes and the risk management system work appropriately and rationally. Based on these audits, improvements are proposed and advice is provided as necessary. As the Group expands its areas of business, risk profiles are becoming more diversified and complex. Accordingly, Tokyo Century aims to conduct internal audits that are effective as part of a risk-based approach. Timely and appropriate audits are also conducted of companies newly consolidated through investment or acquisition. Through such auditing activities, we strive to enhance the risk management capabilities and improve the corporate value of the Company and Group companies. Annual internal audit plans are reported to the Board of Directors after approval by the president (Management Meeting), and the results of the audits are reported to the president (Management Meeting) and to the Board of Directors.

Internal Audit System of Group Companies

Major domestic Group companies as well as major overseas Group companies Aviation Capital Group LLC (ACG) and CSI Leasing, Inc. (CSI) have in place independent audit units that perform audits at their respective companies. Audit plans and results are reported to the Audit Unit of the Company, which provides instruction and support as necessary.

In addition, we hold information exchange and liaison meetings where the audit departments of Group companies gather to share knowledge and strengthen coordination, thereby enhancing the audit quality of the entire Group.

The Audit Unit directly audits subsidiaries that do not have their own auditing functions.

Basic Internal Audit Policies

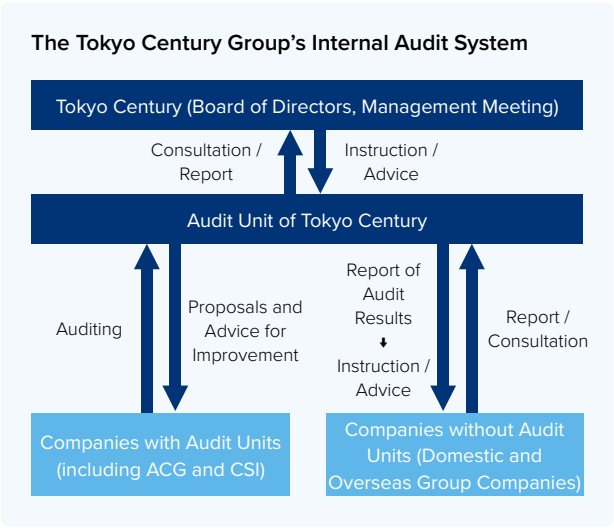
Reliable Third Line of Defense Supporting Quest for Growth
Furnished by Audit Unit

1. Identification of latent risks to contribute to improved operations and the prevention of misconduct
2. Provision of effective proposals and advice for improvement based on a forward-looking perspective and sensitivity toward change
3. Support for and coordination among Group companies to strengthen the Groupwide audit system

Fiscal 2024 Audit Results and Fiscal 2025 Audit Plan

In fiscal 2024, we conducted five thematic audits, including an audit of management accounting operations, and 36 departmental audits, including those of four overseas and three domestic companies in the Group. In each audit, we made proposals and gave advice for improvement and also conducted follow-ups for business improvement. In addition, to strengthen our audit system in the United States through collaboration with ACG and CSI, we newly dispatched an internal auditor to Tokyo Century (USA) Inc.

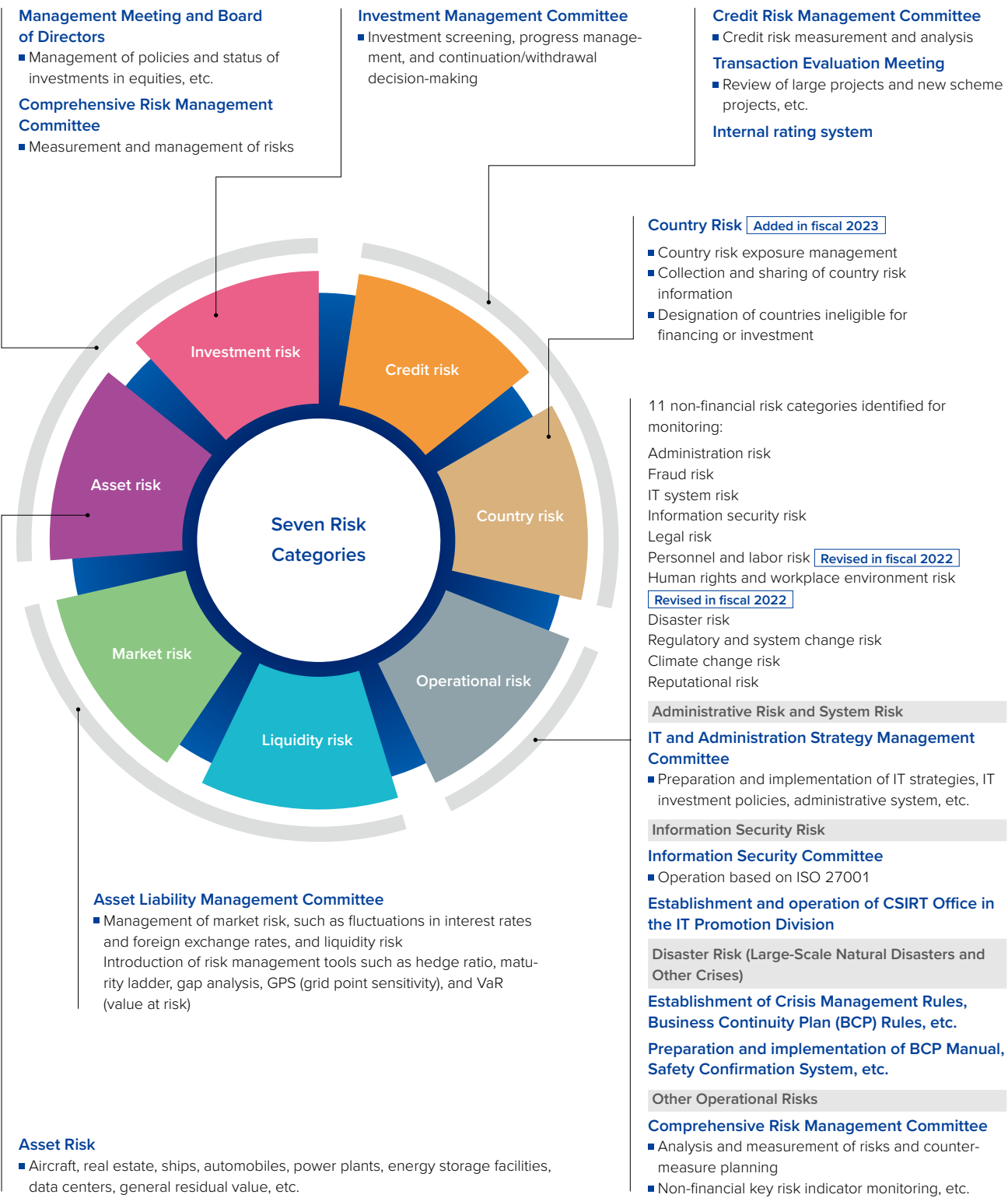
In fiscal 2025, we plan to conduct six thematic audits, including a post-implementation audit of the new core system and a harassment audit, and 36 departmental audits, including those of three overseas and three domestic companies in the Group. In light of the expanding audit areas and management’s requests, we will conduct flexible and proactive audits to enhance the corporate value of the Tokyo Century Group.



Major Risks, Management Frameworks, and Risk Management

In accordance with its Basic Risk Management Policy and Comprehensive Risk Management Rules, Tokyo Century is reinforcing its comprehensive enterprise risk management (ERM). This framework supports stable and sustainable profit growth by integrating the efficient allocation of management resources, responses to the expansion and diversification of business domains, and the management of non-financial risks such as compliance.

Major Risks and Management Frameworks



Risk Management

Comprehensive Enterprise Risk Management (ERM)

The Tokyo Century Group practices comprehensive ERM in accordance with its management guidelines for capital use rates based on quantitative risk control on a consolidated basis. The capital use rate is used to assess risk resilience, an important criterion for rating financial institutions. The risk amount is measured on an item-by-item basis using a methodology established for each risk category, such as investment risk, asset risk, and credit risk. While investment risk is relatively high, asset risk is comparatively low, backed by physical assets, although the precise level of this risk depends on their characteristics. By adhering to these management guidelines, we have sought to keep the total risk amount within consolidated economic capital buffers (based on shareholders' equity). As our business domain continues to expand, the relationship between the amount of capital and level of risk receives greater attention from investors and other interested parties. For this reason, the capital use rate has become a key indicator for objectively determining prospects for our sustainable growth and investment capacity.

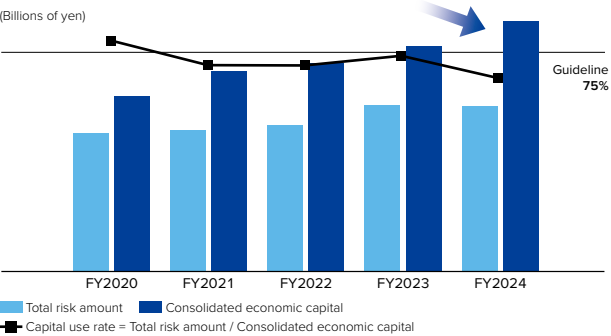
We treat our targeted capital use rate of 75% as a soft limit, since the capital regulations for financial institutions do not apply to us. Seizing business opportunities, such as M&A activities, is also an important factor in our risk management framework. Rather than passively ensuring corporate soundness, we

actively consider several key factors, including the potential increase in risk over the medium term (about three years), projected organic growth in the shareholders' equity ratio, and the tolerance level of our capital policy.

Medium-Term Management Plan 2027 calls for enhancing our risk management framework to ensure the efficient allocation of management resources through an ERM approach. In fiscal 2024, we officially introduced risk exposure guidelines (soft limits) for the categories that account for a large portion of our risk profile (aviation, investments, and real estate). In fiscal 2025, we have introduced economic capital allocation by operating segment on a trial basis as an additional measure to control the total risk amount and diversify the risk of our business portfolio. In this way, we are driving our portfolio transformation.

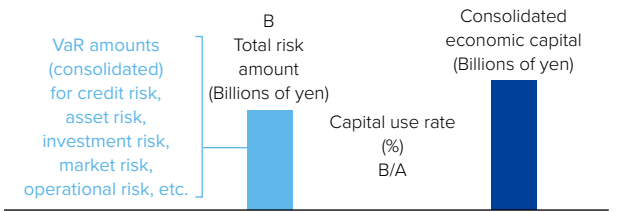
The main objective of risk management at the Tokyo Century Group is to support growth and value creation by allowing for bold risk-taking. We will continue to control the capital use rate to maintain it at the appropriate guideline level. At the same time, we will constantly enhance our risk management framework in conjunction with the expansion of our business domain and a changing operating environment in order to sustainably improve corporate value.

Capital Use Rate Trends



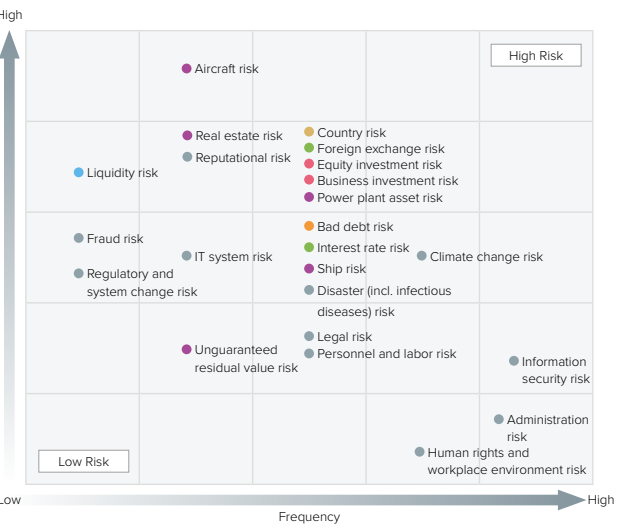
In fiscal 2024, the capital use rate declined from the previous fiscal year due to an increase in consolidated economic capital, remaining within the guidelines. As for the risk amount, the "Aircraft" category decreased due to a rise in market prices, but this was offset by an increase in "Investment and Others," resulting in the overall amount remaining flat.

Capital Use Rate Guidelines



Risk Heatmap

The Basic Risk Management Policy and the Comprehensive Risk Management Rules define risk categories. The Group assesses secular changes annually in its business operations and maps these categories using a matrix that measures the level of impact and frequency of occurrence. The resulting map is reviewed every year, comprehensively considering various factors, such as trends in risk scenarios identified via risk audits, the risk amount for each risk item, initiatives, and incidents or accidents. The Company visualizes identified risks and shares this information with relevant parties, such as by regularly reporting to the Management Meeting and the Board of Directors.



Major Risks, Management Frameworks, and Risk Management

Country Risk

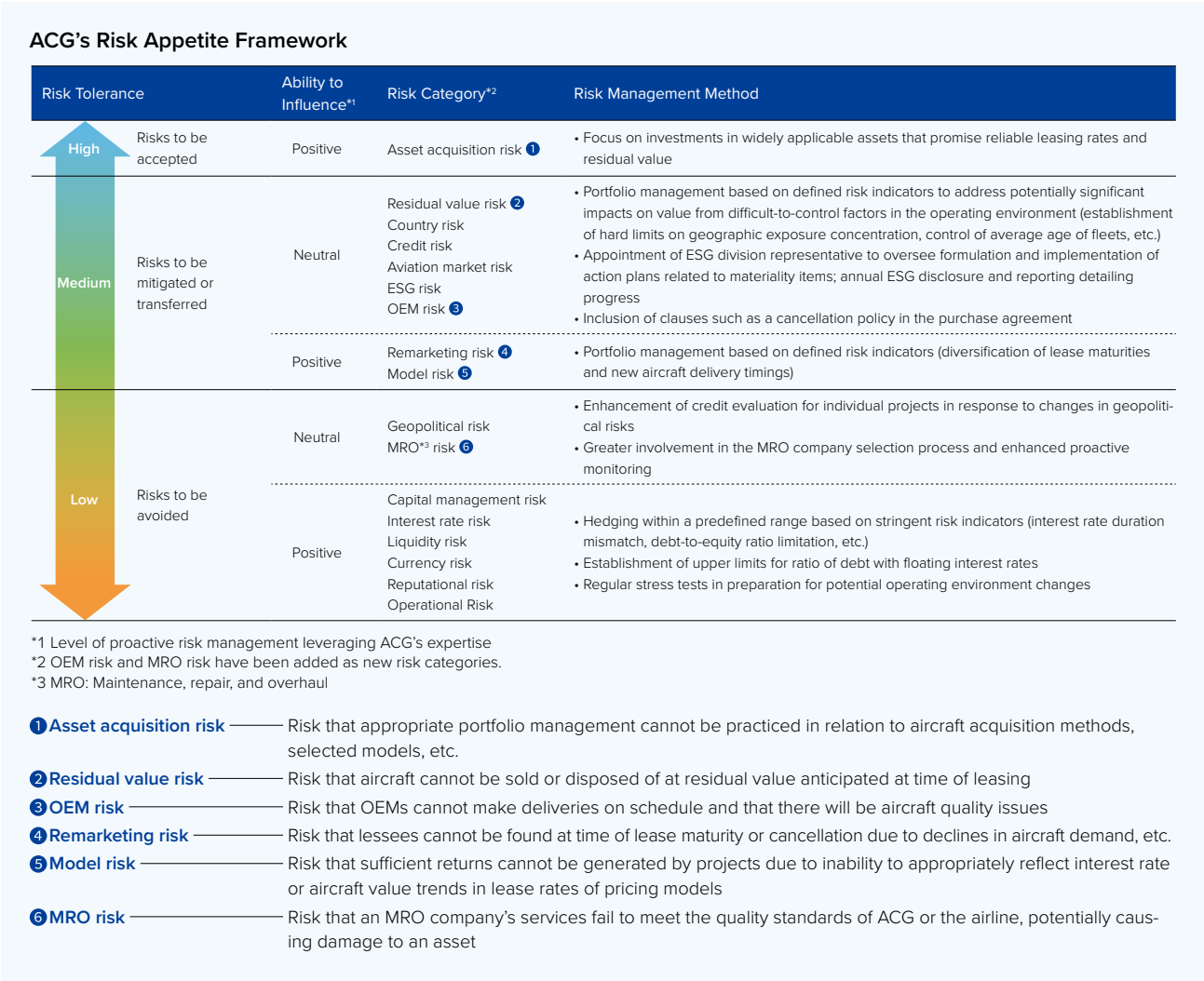
In response to the recent rise in geopolitical risks, we manage country risk as an independent risk category, rather than a part of credit risk. Specifically, we take a multi-layered approach to controlling country risk, focusing on two key aspects: country-specific exposure management and monitoring of geopolitical risks in each country. For country-specific exposure management, we use country-specific limits as

guidelines. These limits are set by comprehensively considering geopolitical risks and strategic business importance based on sovereign ratings. For geopolitical risk monitoring, we have established a system to promptly detect signs of risk fluctuations. This involves monitoring changes in each country's political, economic, and social conditions, allowing us to take appropriate and timely measures.

Global Risk Management

In global risk management, we pay particular attention to our U.S. specialized leasing subsidiaries, Aviation Capital Group LLC (ACG) and CSI Leasing, Inc. (CSI), which have large investment and asset scales. ACG has introduced a risk appetite framework that clarifies the risks to be accepted (for example, aircraft asset risk) and those to be avoided, mitigated, or transferred (for example, interest rate, liquidity, and

foreign exchange risks). This unique risk management approach has proven highly effective in enhancing the company's resilience. Furthermore, ACG has implemented a risk management framework for individual projects that is centered on diversifying country- and airline-specific concentration risks and ensuring an appropriate risk-and-return balance based on the characteristics of a given project.



Non-Financial (Non-Quantitative) Risks

As our business domain grows and we branch out from the financial sector to provide business services, it is becoming increasingly important to account for non-financial operational risks that cannot be measured quantitatively. Based on this recognition, Tokyo Century has established key risk indicators (KRIs) for non-financial risks. We regularly monitor these KRIs and report the results to the Management Meeting, the Board of Directors, and other relevant bodies. KRIs have been set pertaining to personnel and labor, information security, accidents, internal reporting, climate change, legal affairs, and corruption. Amid the rising

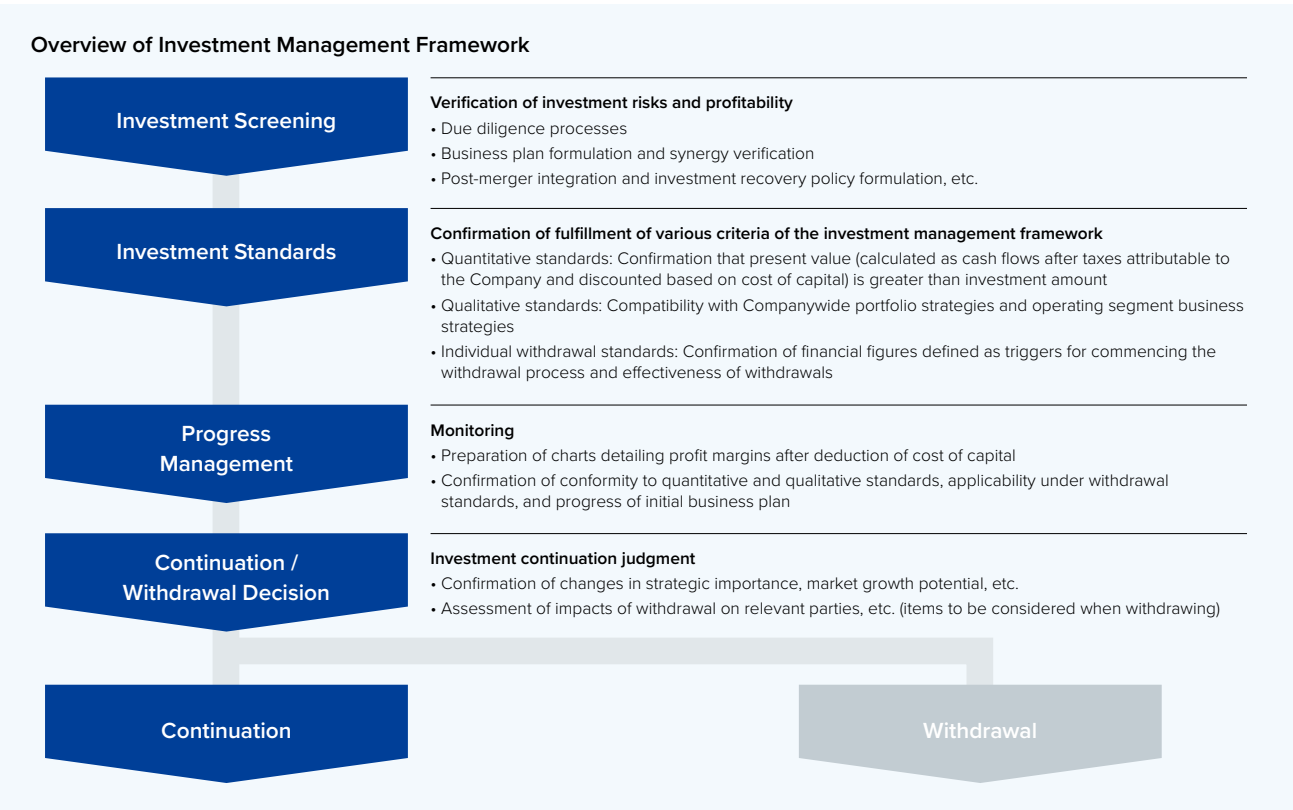
importance of tracking and managing human rights and climate change risks, we have broadened the scope of personnel and labor risk (from non-consolidated to consolidated) and are also expanding our range of environmental KRIs in relation to renewable energy, CO₂ emissions, and the portion of our portfolio comprising fuel-efficient aircraft and electric vehicles. Recognizing that stakeholder concern for non-financial risks is constantly rising, Tokyo Century will continue to bolster its range of effective indicators related to human rights, climate change, and other ESG and SDG factors from the perspective of sustainability.

Response to Expansion of Business Domain

Investment Management Framework

The Tokyo Century Group operates a framework for managing investment projects throughout their life cycle—from initial screening and approval to monitoring and continuation or withdrawal decisions—to ensure investment governance that helps optimize our investment portfolio. Under this framework, when screening an investment, we confirm that the project's expected future cash flows, which are discounted based on the risk-adjusted cost of capital, exceed the investment amount. We also examine whether its business domain aligns with our portfolio strategy and appropriate withdrawal criteria are in place. Subsequently, the Investment Management Committee conducts a multifaceted evaluation of the project with input from specialized departments, covering risk exposure and legal and tax compliance. The final decision to approve an investment is made by the Management Meeting based on the committee's findings and other factors.

After an investment is made, we conduct annual monitoring based on a unified process. During this review, we prepare charts detailing the profit margins of all target projects after deducting cost of capital and assess them against our withdrawal criteria. The Investment Management Committee then submits these findings in an annual monitoring report to the Management Meeting and the Board of Directors. If a project is identified as meeting the withdrawal criteria and the responsible department wishes to continue it, the Investment Management Committee will evaluate this rationale. The final decision on continuation is made by the Management Meeting based on a comprehensive review of the committee's findings and other factors. Through this life cycle management process, we manage the expansion of our business domain while improving the efficiency and sophistication of our investment management.



Compliance

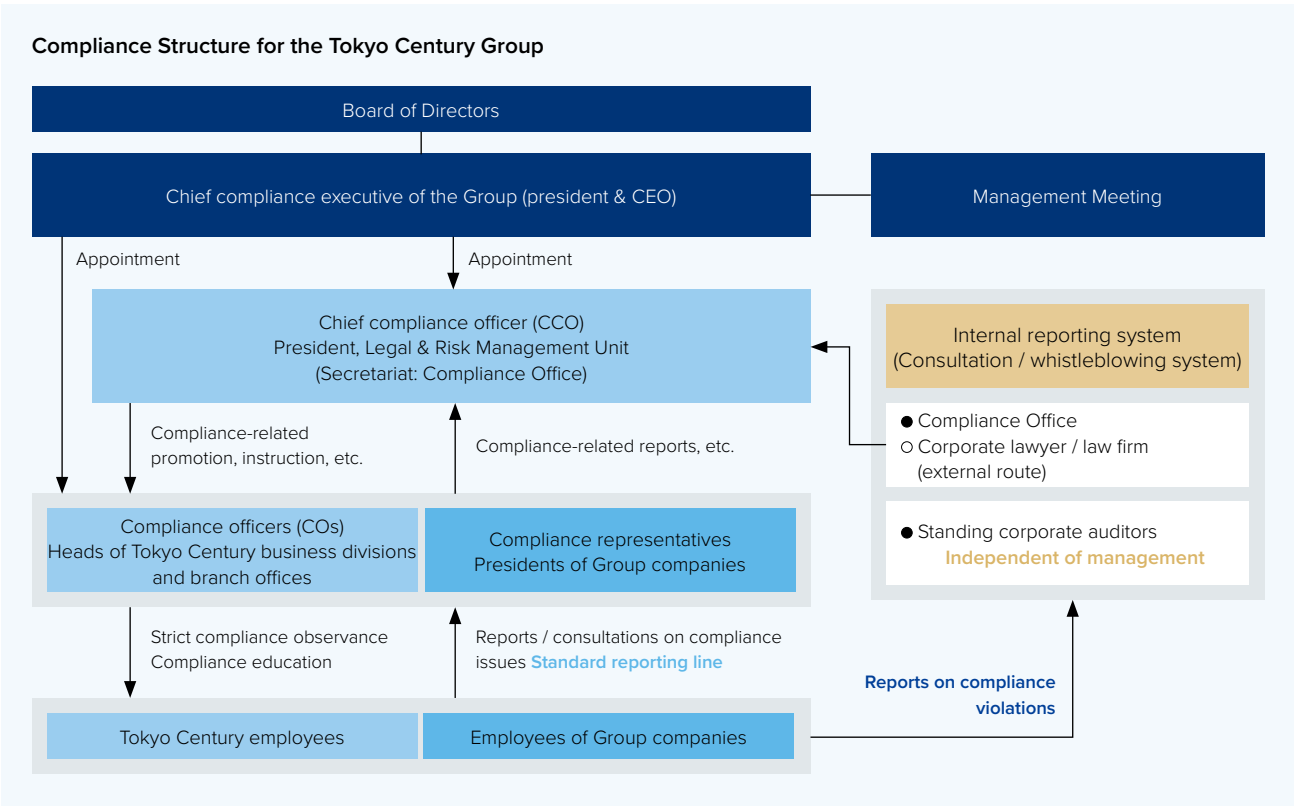
Compliance Structure

At the Tokyo Century Group, the Compliance Office promotes compliance measures under the supervision of the chief compliance officer (CCO). The CCO is appointed by the president & CEO, who serves as the chief compliance executive.

The heads of each business division and branch office, along with the presidents of Group companies, serve as compliance officers (COs). They are responsible for ensuring legal and regulatory compliance and aligning business activities with social norms while coordinating with the Compliance Office. Compliance activity plans are formulated through

discussions by the Management Meeting at the beginning of each fiscal year, and these plans are reported to the Board of Directors. The adequacy of the progress of these plans is reviewed every six months by the Management Meeting and the Board of Directors.

Specific compliance activities include e-learning programs, face-to-face and online training sessions, distribution of compliance-related information, and compliance awareness surveys. We also arrange Groupwide forums for sharing compliance information.



Internal Reporting System

The Tokyo Century Group implements clear and exhaustive whistleblower protection measures in its internal reporting system in accordance with Japan's Whistleblower Protection Act. Personnel responsible for handling whistleblower reports, as described in the act, are designated and trained. These individuals are bound by strict confidentiality obligations regarding all information obtained during their duties. We will continue to adhere to the highest standards in operating our internal reporting system based on the belief that it is an important tool for effective compliance management.

We offer three reporting contact points, including both internal and external channels, which handle a wide range of consultations on compliance and other matters. We continuously promote the use of the system by explaining its purpose, significance, and report-handling procedures through training opportunities, conducting regular awareness surveys on the recognition and use of the system, and disclosing its operational status. The ratios of reports and consultations from domestic and overseas Group companies indicate that this system is well entrenched and functioning appropriately.

Human Rights Initiatives

The Tokyo Century Group recognizes that promoting respect for human rights is an important management issue. Based on this recognition, we have established the Human Rights Policy and included provisions related to respect for human rights in our Corporate Code of Conduct and Our Action Guidelines to instill these principles in our business activities. We also expect our stakeholders to exercise respect for human rights.

Human Rights Risk Management

Human rights-related risks are tracked and assessed through the Group's ERM framework, and related information is regularly reported to the Management Meeting and the Board of Directors.

Human Rights Training and Education

To foster a culture of respect for human rights, we provide ongoing training and education for all officers and employees. The training themes include the relationship between business and human rights, the Group's human rights initiatives, and prohibition of harassment.

Grievance Mechanism

The Tokyo Century Group has established contact points for consultations on human rights violations. These channels are available to all Group officers and employees as well as external

stakeholders and can accommodate consultations in both Japanese and English. Remedial frameworks are in place to rectify the damages suffered by victims of any verified violations.

Human Rights Due Diligence

• Tokyo Century Corporation and Group Companies

Human rights due diligence activities are implemented at Tokyo Century Corporation and all of its consolidated subsidiaries in Japan and overseas. Human rights risks closely related to the Group's businesses are identified. Surveys and interviews are then conducted at Group companies to understand issues pertaining to the identified risks and pursue ongoing improvements.

• Investees

Tokyo Century assesses human rights risks during the decision-making process for large investments and financing and when monitoring those that have been implemented. These assessments focus on the frameworks for addressing human rights risks and any incidences of past violations at the target of investment. They also evaluate human rights risks that may arise because of a given investment or financing and measures to prevent and mitigate such risks. Decisions to conduct investments or financing are informed by these assessments.

For more information on the following topics, please refer to the Company's corporate website.

- Compliance Structure of the Tokyo Century Group
- Internal Reporting System
- Compliance Handbooks
- Compliance Education
- Preventing Money Laundering
- Preventing the Transfer of Criminal Proceeds
- Preventing Corruption
- Policy on Political Funds

<https://www.tokyocentury.co.jp/en/sustainability/esg/governance/compliance.html>

- Human Rights Initiatives

<https://www.tokyocentury.co.jp/en/sustainability/esg/social/humanrights.html>

Information Security

The Tokyo Century Group views information security as one of its most important management issues. As part of its efforts, the Company has obtained certification under ISO 27001, the international standard for information security management systems. Under the leadership of the Information Security Committee, we periodically revise regulations and rules regarding information management, conduct regular risk assessments to address information security risks, and provide information security training for employees and officers.

The TC-CSIRT, a computer security incident response team, has been set up within the IT unit as a dedicated cybersecurity organization. The TC-CSIRT is responsible for preventing the recurrence of past incidents and the occurrence of new incidents by monitoring security systems, assessing the security of cloud services, and educating officers and employees.

To respond to increasingly sophisticated and complex cyberattacks, we are enhancing our response capabilities by sharing information with external organizations through membership in the Nippon CSIRT Association and participating in practical exercises.

We are also further strengthening our cybersecurity measures by participating in a cybersecurity framework operated by a major shareholder and collaborating on assessments and practical exercises.

In addition, we conduct drills for the Company and domestic and overseas Group companies, simulating email attacks in Japanese and other languages multiple times a year. These drills have led to an increase in information security awareness among our officers and employees.

Our global business expansion requires us to take robust action to protect personal information and strengthen information security considering various cultures and regulatory environments. To address this, we are strengthening our global security governance by identifying and responding to issues through assessments of our overseas subsidiaries. In addition, we encourage closer collaboration across the entire Group by strengthening management of outside subcontractors, providing information to Group companies, and holding regular liaison meetings.

To utilize generative AI, we have formulated usage guidelines and developed an appropriate infrastructure environment, allowing us to respond to new risks related to information security.

For the following items, please also refer to our website.

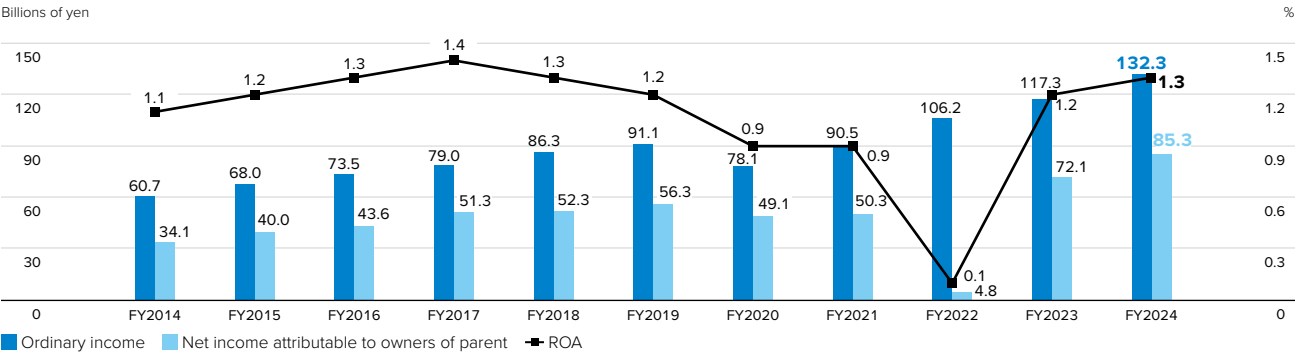
- ISO 27001 Certification
- Basic Information Security Policy

<https://www.tokyocentury.co.jp/en/csr/governance/security.html>

Performance Highlights

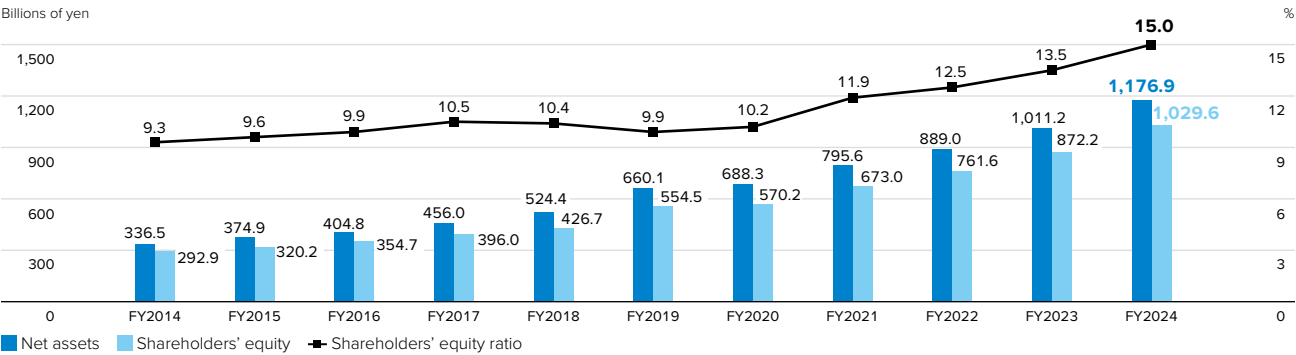
Key Financial Information

Ordinary Income, Net Income Attributable to Owners of Parent, and ROA



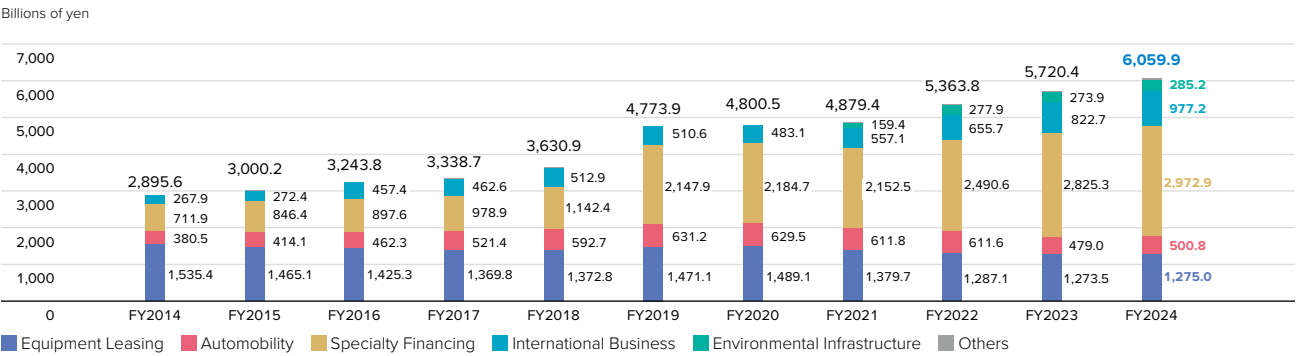
Key Drivers: In fiscal 2024, both ordinary income and net income attributable to owners of parent reached record highs, driven by income growth in the International Business, Specialty Financing, and Automobility segments. In fiscal 2020, income decreased mainly in the Automobility segment due to the impact of COVID-19. In fiscal 2022, net income attributable to owners of parent decreased significantly due to a ¥74.8 billion extraordinary loss related to Russian airlines resulting from the Russian invasion of Ukraine.

Net Assets, Shareholders' Equity, and Shareholders' Equity Ratio



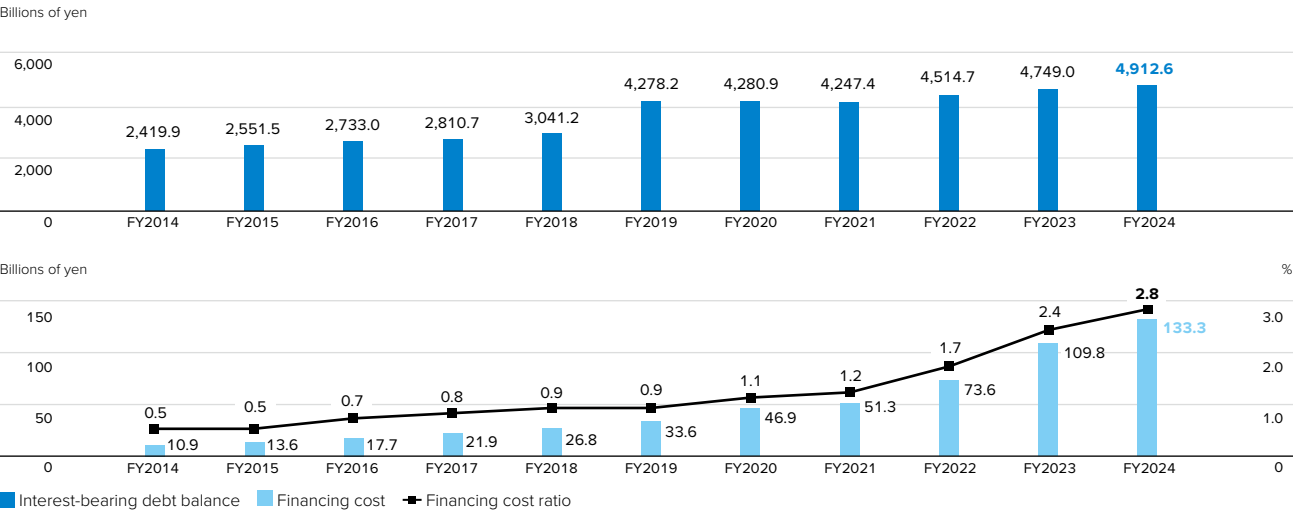
Key Drivers: In fiscal 2024, both net assets and shareholders' equity increased year on year, partly due to an increase in foreign currency translation adjustments from the weaker yen. The shareholders' equity ratio reached a record high of 15.0%.

Segment Assets

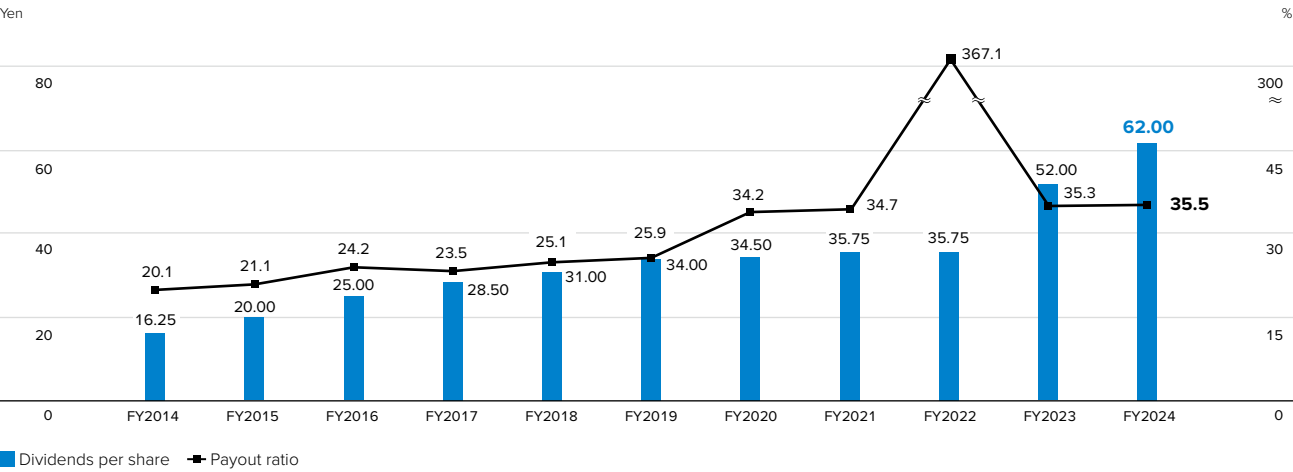


Key Drivers: In fiscal 2024, assets increased year on year in all operating segments, reaching a record-high balance of ¥6.1 trillion. The Environmental Infrastructure segment was newly established in fiscal 2023. As a result, the figures for fiscal 2021–fiscal 2022 have been adjusted retroactively.

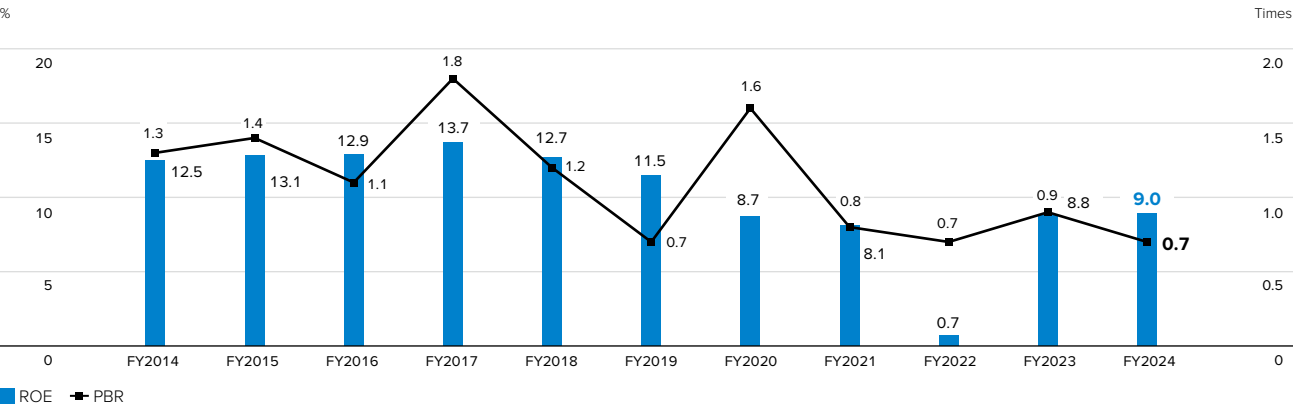
Interest-Bearing Debt Balance, Financing Cost, and Financing Cost Ratio



Dividends per Share* and Payout Ratio



ROE and PBR



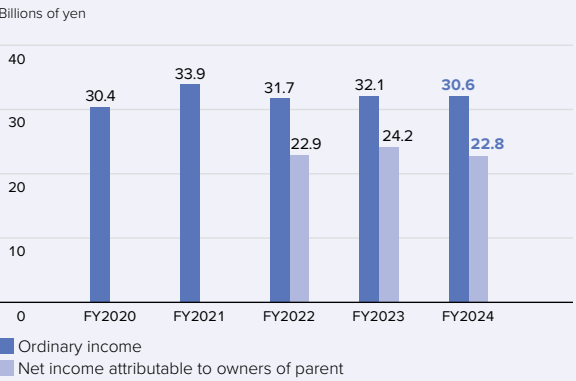
* A 4-for-1 stock split of common stock was conducted effective January 1, 2024. The dividends per share shown have been retroactively adjusted for the stock split.

Performance Highlights

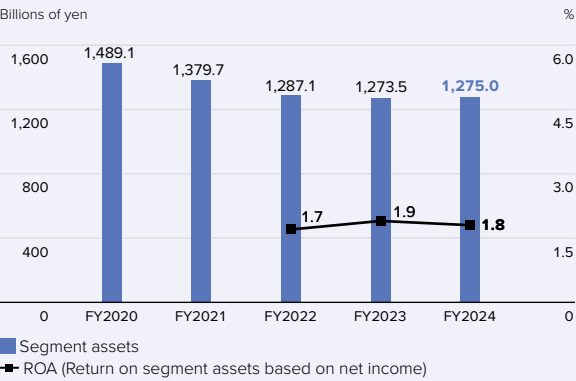
Performance by Operating Segment

Equipment Leasing

Ordinary Income and Net Income Attributable to Owners of Parent*1

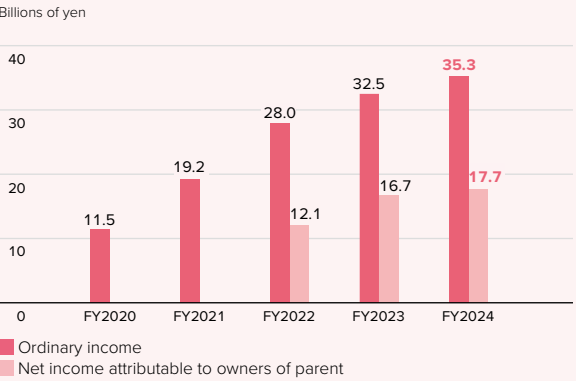


Segment Assets and ROA*2

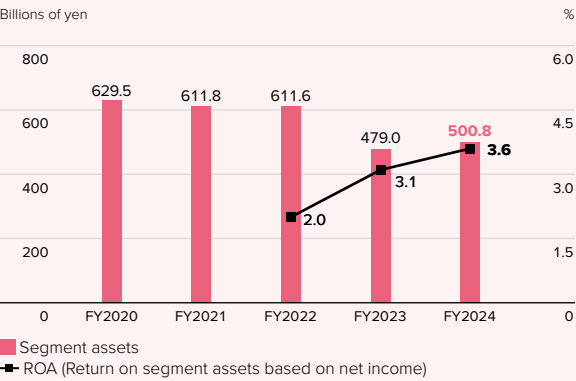


Automobility

Ordinary Income and Net Income Attributable to Owners of Parent*1

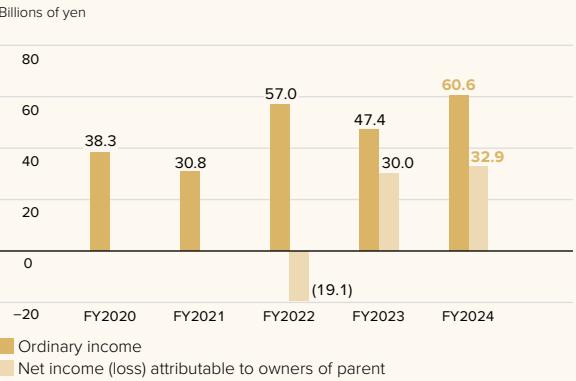


Segment Assets and ROA*2

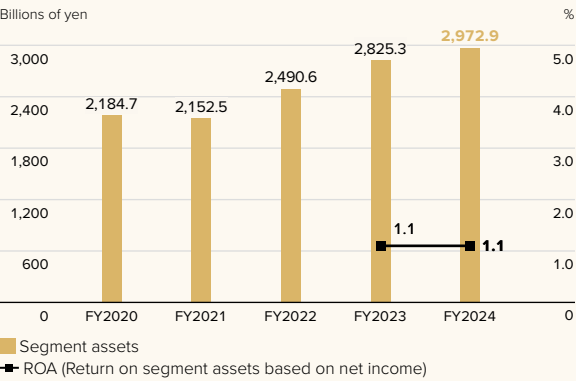


Specialty Financing

Ordinary Income and Net Income (Loss) Attributable to Owners of Parent*1

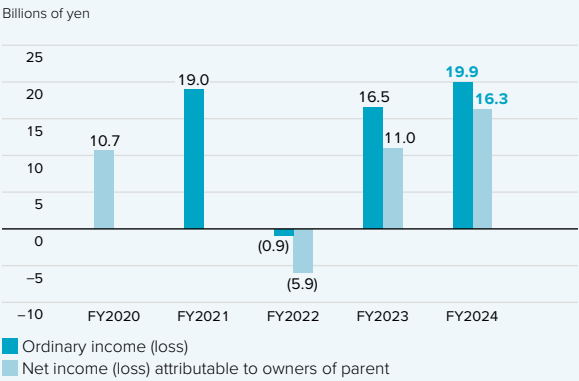


Segment Assets and ROA*2

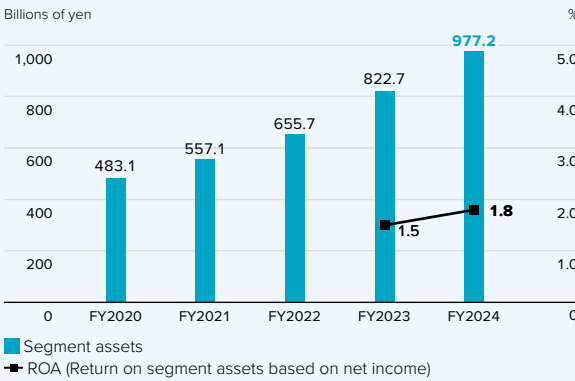


International Business

Ordinary Income (Loss) and Net Income (Loss) Attributable to Owners of Parent*1

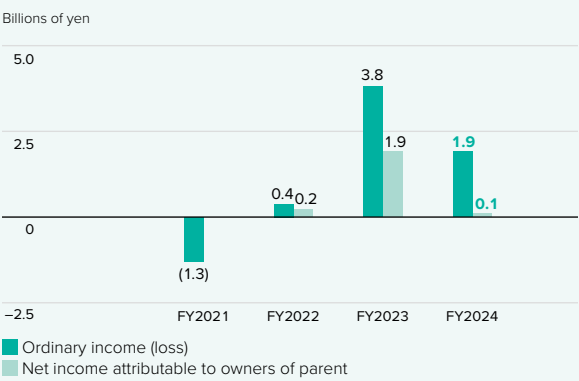


Segment Assets and ROA*2

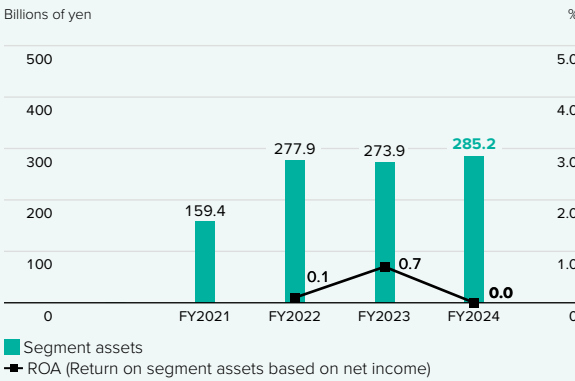


Environmental Infrastructure

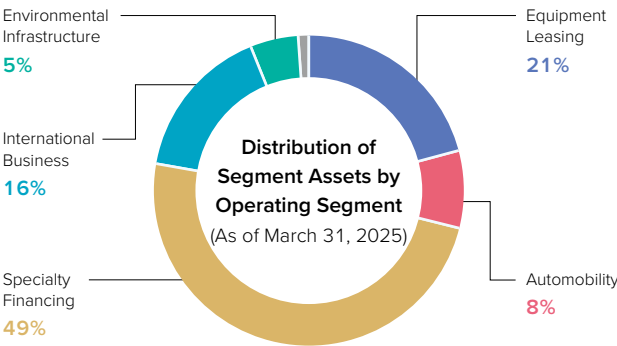
Ordinary Income (Loss) and Net Income Attributable to Owners of Parent*1



Segment Assets and ROA*2



Note: Figures for the Environmental Infrastructure segment are shown from fiscal 2021 onward.



*1 Net income (loss) attributable to owners of parent (disclosed since fiscal 2022)
*2 Return on segment assets based on net income (disclosed since fiscal 2022)

For more detailed financial information, please refer to Tokyo Century's data books.
<https://www.tokyocentury.co.jp/en/ir/library/2025.html>

For non-financial information, please refer to Tokyo Century's sustainability data books.
<https://www.tokyocentury.co.jp/en/sustainability/databook/>

Corporate and Stock Information

Company Profile (As of April 1, 2025)

Company Name	Tokyo Century Corporation
Head Office	3 Kanda-neribeicho, Chiyoda-ku, Tokyo 101-0022, Japan
Founded	July 1, 1969
Paid-in Capital	¥81,129 million
Representatives	Masataka Yukiya, Chairman & Co-CEO, Representative Director Koji Fujiwara, President & CEO, Representative Director
Number of Employees	8,146 (1,070 on a non-consolidated basis)*
Closing of Accounts	March 31
Main Banks	Mizuho Bank, Ltd.; MUFG Bank, Ltd.; Sumitomo Mitsui Banking Corporation; The Norinchukin Bank; Sumitomo Mitsui Trust Bank, Limited; and Japan Bank for International Cooperation
Independent Auditor	Deloitte Touche Tohmatsu LLC
Business Network	Domestic: Tokyo, Sapporo, Sendai, Saitama, Yokohama, Nagoya, Kanazawa, Osaka, Hiroshima, and Fukuoka Overseas: More than 30 countries and regions in Asia, North America, Central and South America, Europe, etc.

* As of March 31, 2025

Management Personnel (As of June 23, 2025)

Board of Directors		Corporate Auditors		Executive Officers	
Chairman & Co-CEO, Representative Director	Masataka Yukiya	Standing Corporate Auditor	Katsuya Amamoto Yoshio Nomura	Deputy President, Executive Officer	Yoichiro Nakai
President & CEO, Representative Director	Koji Fujiwara	External Corporate Auditor* ² * ³	Masao Fujieda Maiko Chihara	Senior Managing Executive Officer	Toshio Kitamura Masato Osugi Hideyuki Kudo
External Director* ¹ * ³	Akio Nakamura Toshio Asano Miho Tanaka Tsuyoshi Numagami Hiroshi Ogasawara			Managing Executive Officer	Koichiro Sato Yoshihiro Ueda Minoru Kuwahara Shintaro Yamazaki Toshiyuki Otobe Yukihiro Tanaka Kenji Seto Shuichi Kato
Director and Senior Managing Executive Officer	Mahoko Hara Tatsuya Hirasaki Takashi Yonetsu			Executive Officer	Katsusuke Hirako Masatoshi Hiraga Tatsuo Hayama Masaaki Teragami Seiji Tsuboi Takamasa Ito Koji Yoshida Makoto Nishino Teiichiro Kondo Jun Takagi
Director	Masahiro Imai				

*1 "Outside director" as stipulated by Article 2-15 of the Companies Act of Japan

*2 "Outside company auditor" as stipulated by Article 2-16 of the Companies Act of Japan

*3 Designated independent director as stipulated by the Tokyo Stock Exchange

Stock Information (As of March 31, 2025)

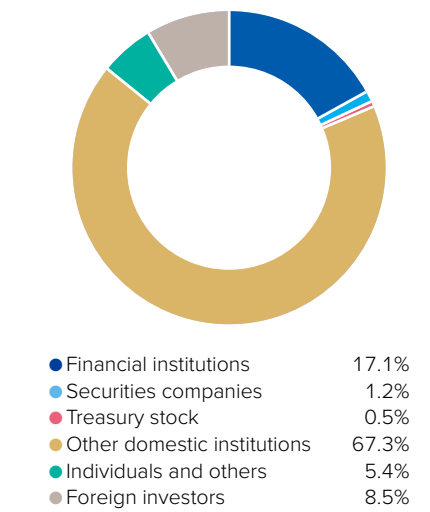
Transfer Agent	Mizuho Trust & Banking Co., Ltd.	Number of Shares of Common Stock Authorized	1,600,000,000 shares
Stock Listing	Tokyo Stock Exchange, Prime Market	Number of Shares of Common Stock Issued	492,113,280 shares
Securities Code	8439	Number of Shareholders	38,349
Trading-Lot Size	100 shares		

Major Shareholders (As of March 31, 2025)

Shareholders	Number of Shares Held (Thousands)	Shareholding Ratio* (%)
ITOCHU Corporation	146,859	29.99
Chuo-Nittochi Co., Ltd.	68,643	14.02
Nippon Telegraph and Telephone Corporation (currently NTT, Inc.)	49,211	10.05
KSO Co., Ltd.	41,344	8.44
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,569	4.81
Mizuho Bank, Ltd.	18,752	3.83
Seiwa Building Co., Ltd.	16,010	3.27
Custody Bank of Japan, Ltd. (Trust Account)	13,535	2.76
Nippon Life Insurance Company	8,469	1.73
Custody Bank of Japan, Ltd. as trustee for Orient Corporation Retirement Benefit Trust Account re-entrusted by Mizuho Trust & Banking Co., Ltd.	7,600	1.55

* The shareholding ratio is calculated by excluding treasury stock (2,376,804 shares).

Breakdown of Shareholders (As of March 31, 2025)



Ratings Information (As of May 1, 2025)

Issuer: Tokyo Century Corporation (Securities Code: 8439)

		Credit Rating Agency	Japan Credit Rating Agency, Ltd. (JCR)	Rating and Investment Information, Inc. (R&I)	S&P Global Ratings Japan Inc. (S&P)
Long-term	Issuer rating	Rating	AA	AA-	BBB
		Outlook	Stable	Stable	Stable
	Preliminary rating for bonds registered for issuance*	Rating	AA	AA-	
		Expected issue amount	¥400 billion	¥400 billion	
		Issue period	Two years beginning February 25, 2024	Two years beginning February 25, 2024	
	Euro medium-term note program	Rating	AA	AA-	
		Maximum outstanding amount	Equivalent of U.S.\$2 billion	Equivalent of U.S.\$2 billion	
Short-term	Commercial paper	Rating	J-1+	a-1+	
		Maximum outstanding amount	¥800 billion	¥800 billion	

* Each bond will be rated by each rating agency upon issuance.

<https://www.tokyocentury.co.jp/en/ir/bond/>