

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

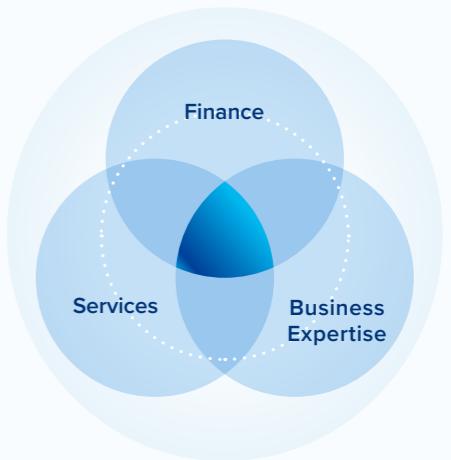
Tokyo Century's corporate slogan encapsulates our desire to support both our customers and employees in chasing their ambitions and to have the accomplishment of their ambitions act as the driver behind the ongoing growth of the Company.

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.

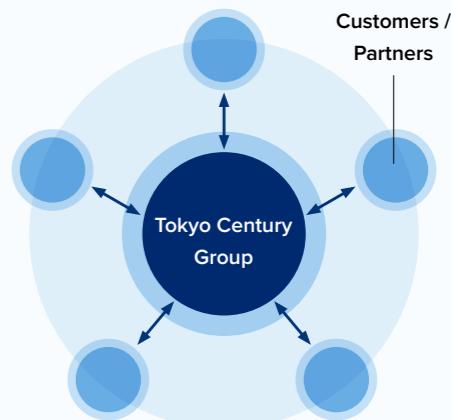
1 Highly Specialized and Unique Financial Services

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.



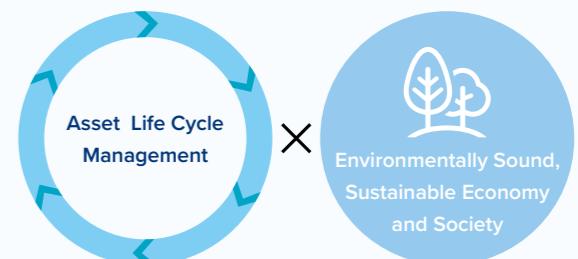
2 Partnerships with Customers Pursuing Business Growth

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

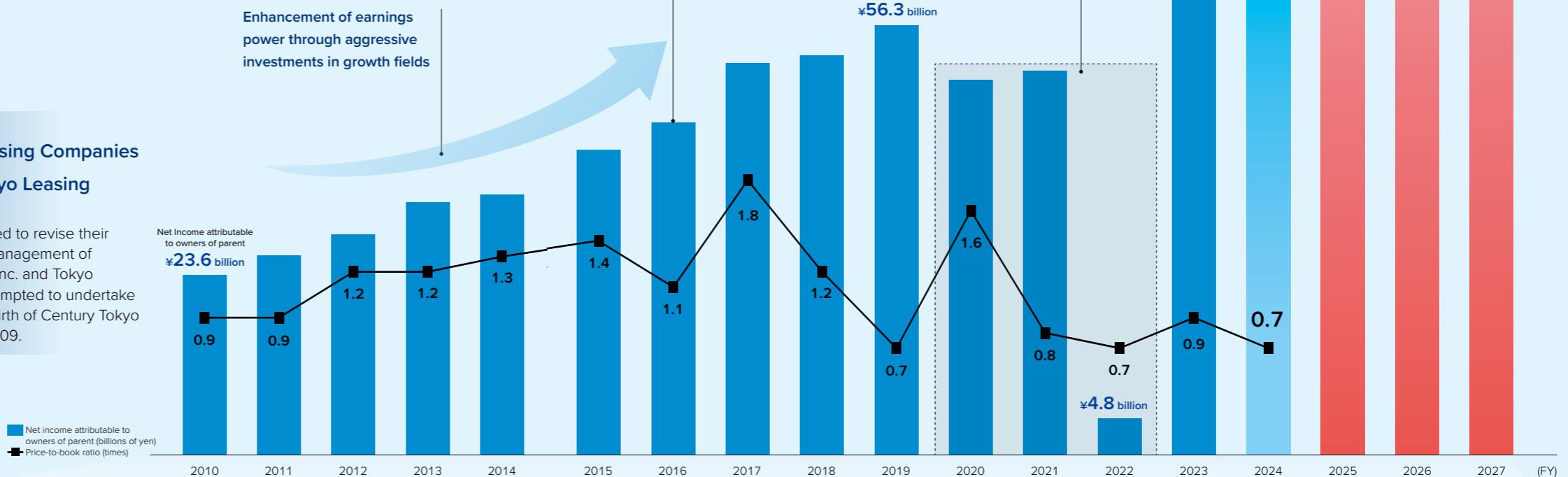
Acceleration of growth investments in five operating segments to advance Medium-Term Management Plan 2027 and fuel growth thereafter

- 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

2009–
Merger of Major Leasing Companies
Birth of Century Tokyo Leasing Corporation

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



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

At a Glance

Portfolio Transformation and Business Overview

Distribution of Segment Assets



Business Overview and Performance (Fiscal 2024 Results)

Note: ROA represents the ratio of net income to segment assets.



Financial services optimized for capital investments in information and communications equipment and other assets

Net income	Segment assets	ROA
¥22.8 billion	¥1,275.0 billion	1.8%

Major Offerings

- Leasing, installment payment, and other financial services for information and communications, manufacturing, and other equipment
- IT solutions
- Subscription services and collaboration with partners

Strengths and Characteristics

- Diverse leasing solutions and services
- Co-creative businesses advanced together with prime partners

Quantitative Traits

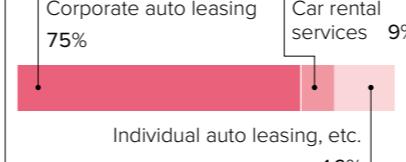
- Customer base comprising **more than 20,000** companies



Wide-ranging auto services provided using industry-leading fleet

Net income	Segment assets	ROA
¥17.7 billion	¥500.8 billion	3.6%

Segment Asset Composition



- 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

- 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



Unique viable businesses built on specialized expertise in diverse product areas

Net income	Segment assets	ROA
¥32.9 billion	¥2,972.9 billion	1.1%

Segment Asset Composition



- Businesses developed with focus on highly specialized assets
- Highly competitive financial services offered through collaboration with industry-leading business partners

- 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)



Leasing and auto businesses developed through a network spanning more than 30 countries and regions, primarily in North America and Asia

Net income	Segment assets	ROA
¥16.3 billion	¥977.2 billion	1.8%

Segment Asset Composition



- 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

- Services offered in **more than 30** countries and regions, primarily in North America, Europe, and Asia



Japan-leading scale in solar power and other renewable energy businesses

Net income	Segment assets	ROA
¥0.1 billion	¥285.2 billion	0.0%

- Solar power, biomass power, and other renewable energy businesses
- Storage battery businesses
- Solar power plant asset management businesses
- Joint crediting mechanism (JCM) business

- Japan-leading scale of solar power (mega solar) plants owned and operated
- Environment-related business value chain constructed through collaboration with partners

- 253** operational solar power plants
- Renewable energy generation capacity of **1,079 MW** (Groupwide basis)

Tokyo Century's Vision for Contributing to Society

Tokyo Century develops business focused on providing the various assets that support our lives and society. We are contributing to the enrichment of people's lives with our expertise for determining asset value and our life cycle management capabilities for managing post-use assets.

Key Impacts Created by Tokyo Century

Related Key Businesses and Services

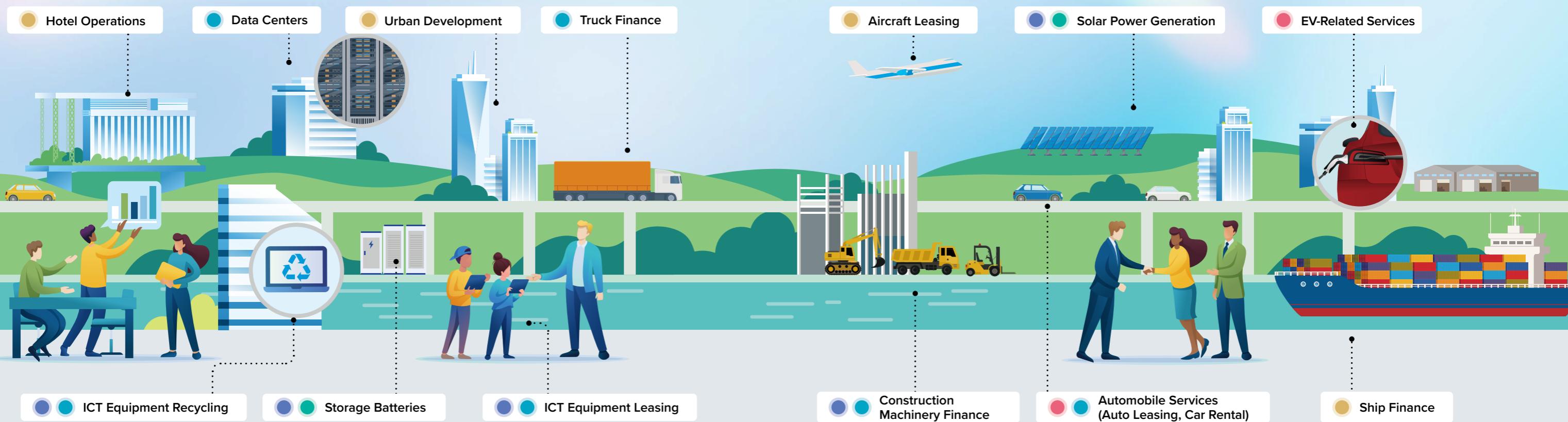
Related Materiality (Key Issues)

<p>Contribution to a decarbonized society through climate change response and environmental efforts</p>	<ul style="list-style-type: none"> • Solar power generation ● ● • Storage batteries ● ● • EV-related services ● • Aircraft leasing ● 	<p>Contribution to a decarbonized society</p> 
<p>Contribution to development of a circular economy focused on the value of assets</p>	<ul style="list-style-type: none"> • ICT equipment leasing ● ● • ICT equipment recycling ● ● • Auto leasing ● ● • Car rental ● 	<p>Sustainable resource use</p> 
<p>Development of resilient, safe, and secure social infrastructure</p>	<ul style="list-style-type: none"> • Real estate ● (Urban development, hotel operations, logistics centers, etc.) • Data centers ● • Truck and construction machinery finance ● ● • Ship finance ● • Aircraft leasing ● 	<p>Contribution to social infrastructure development</p> 

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

Assets and Services Provided Through Tokyo Century's Business Activities

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



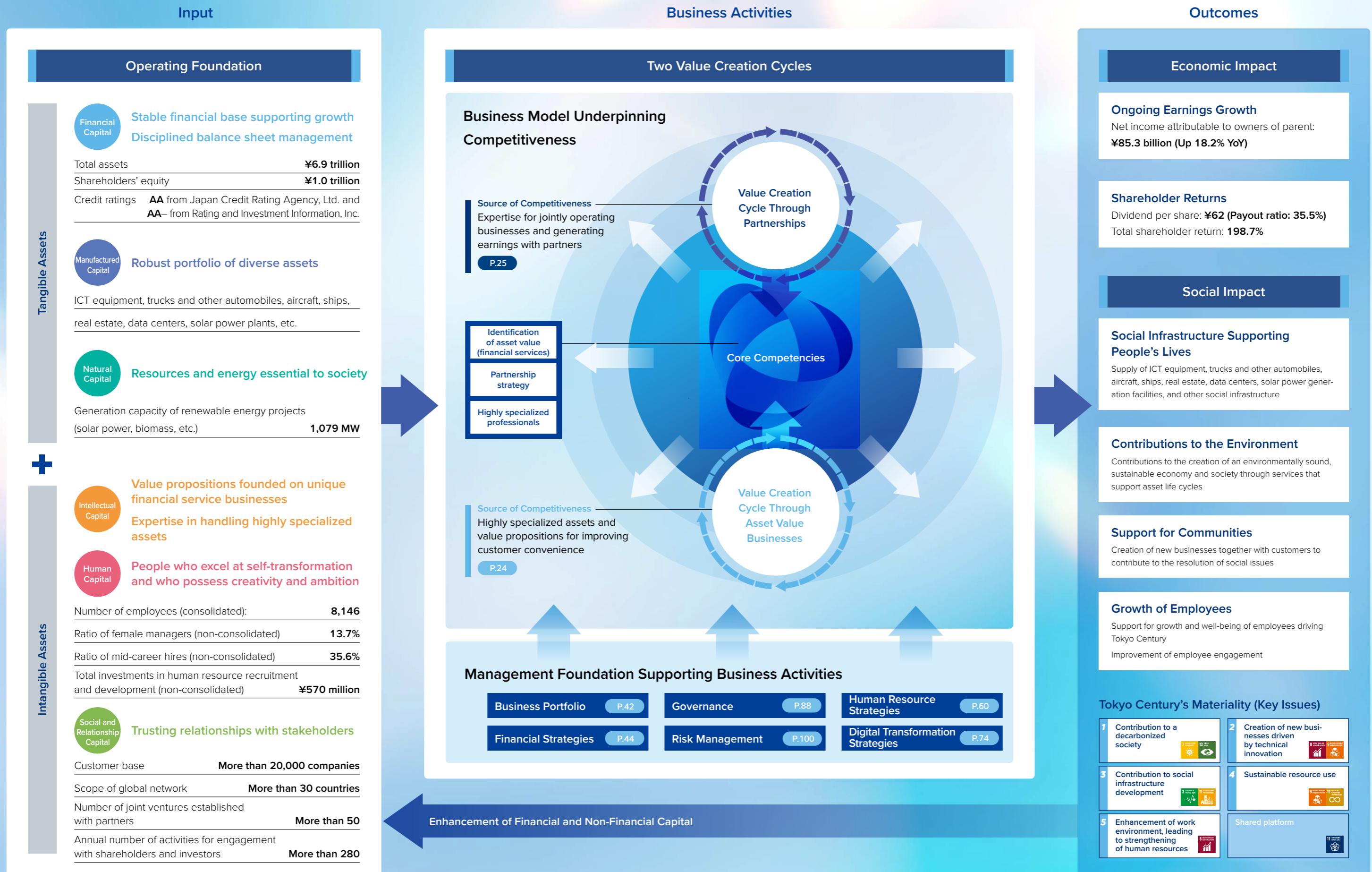
Leveraging Its Unique Strengths, Tokyo Century Aspires to Be:

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.

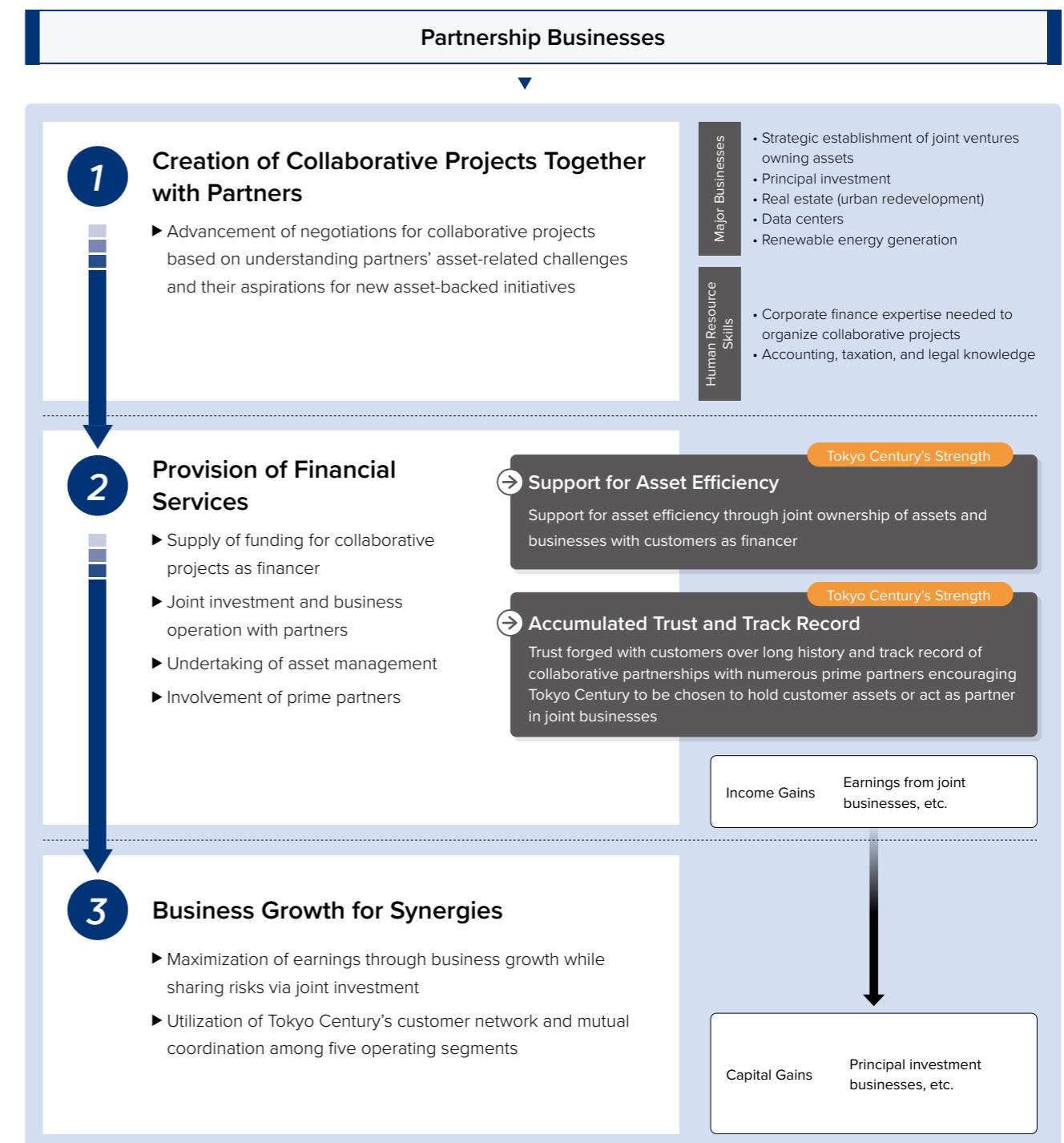
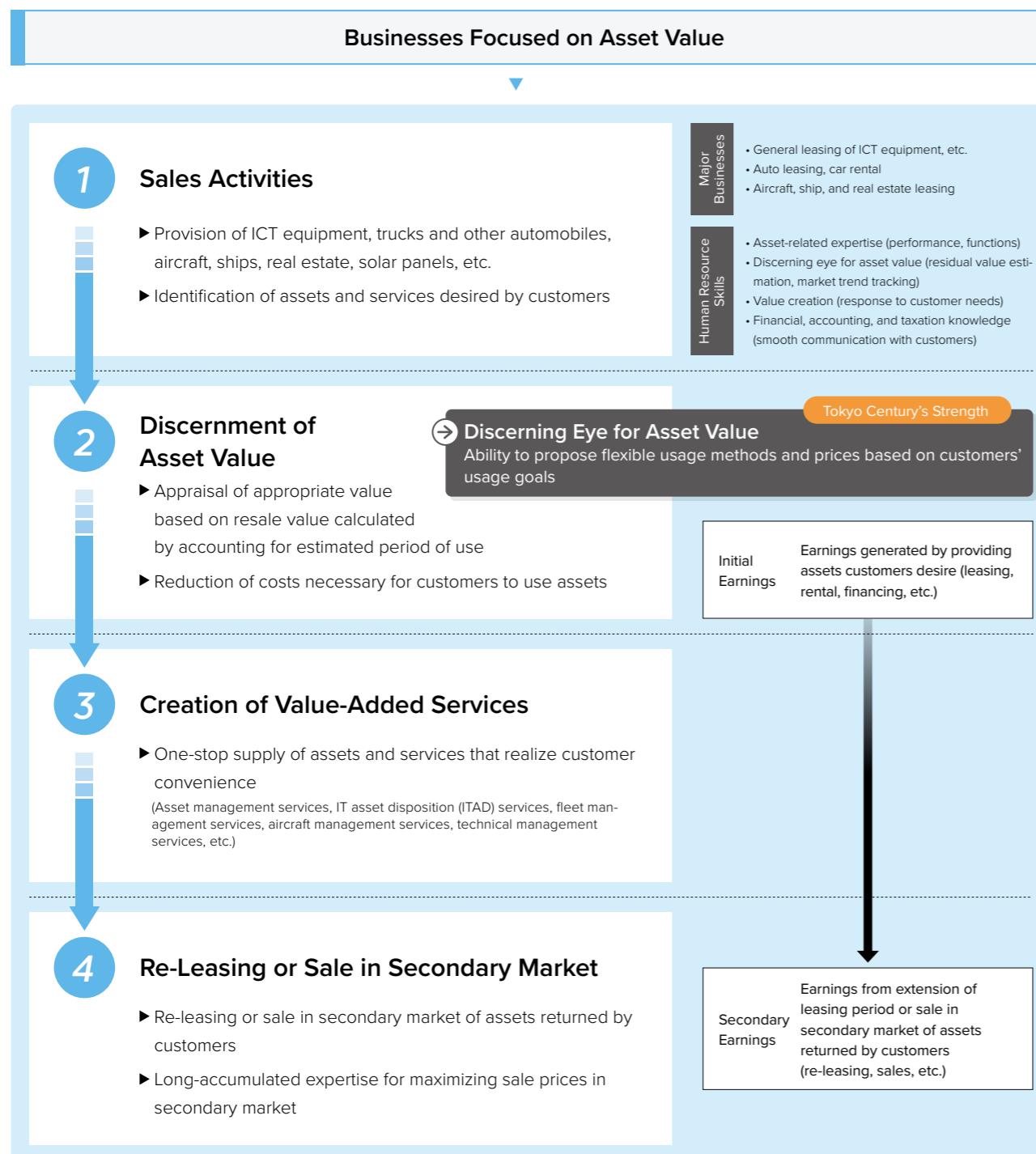


The Tokyo Century Group's Value Creation Process



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



Examples of Asset Value Provision

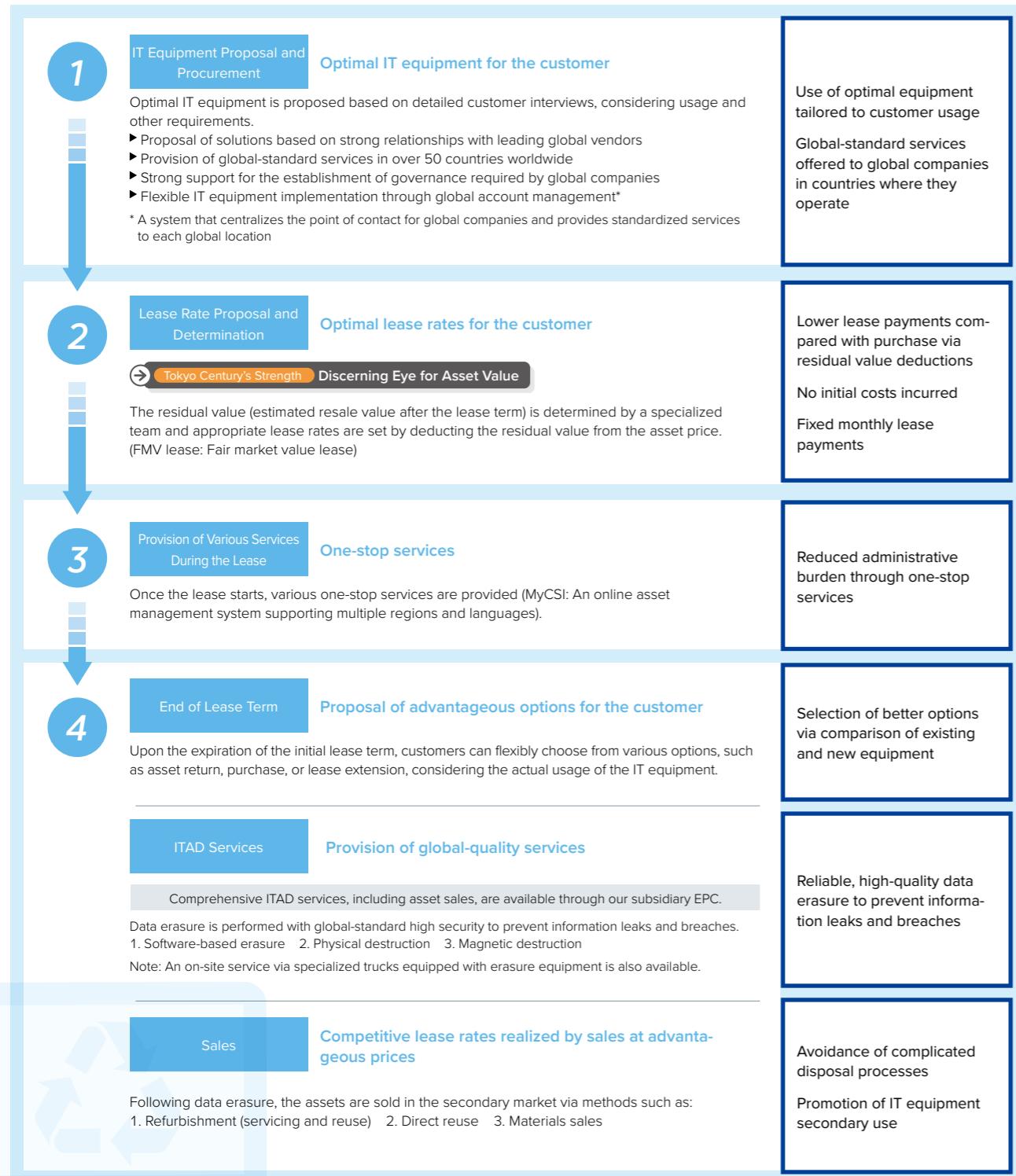
IT Equipment Leasing Life Cycle Management

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.



Overview

Creation of Customer and Social Value



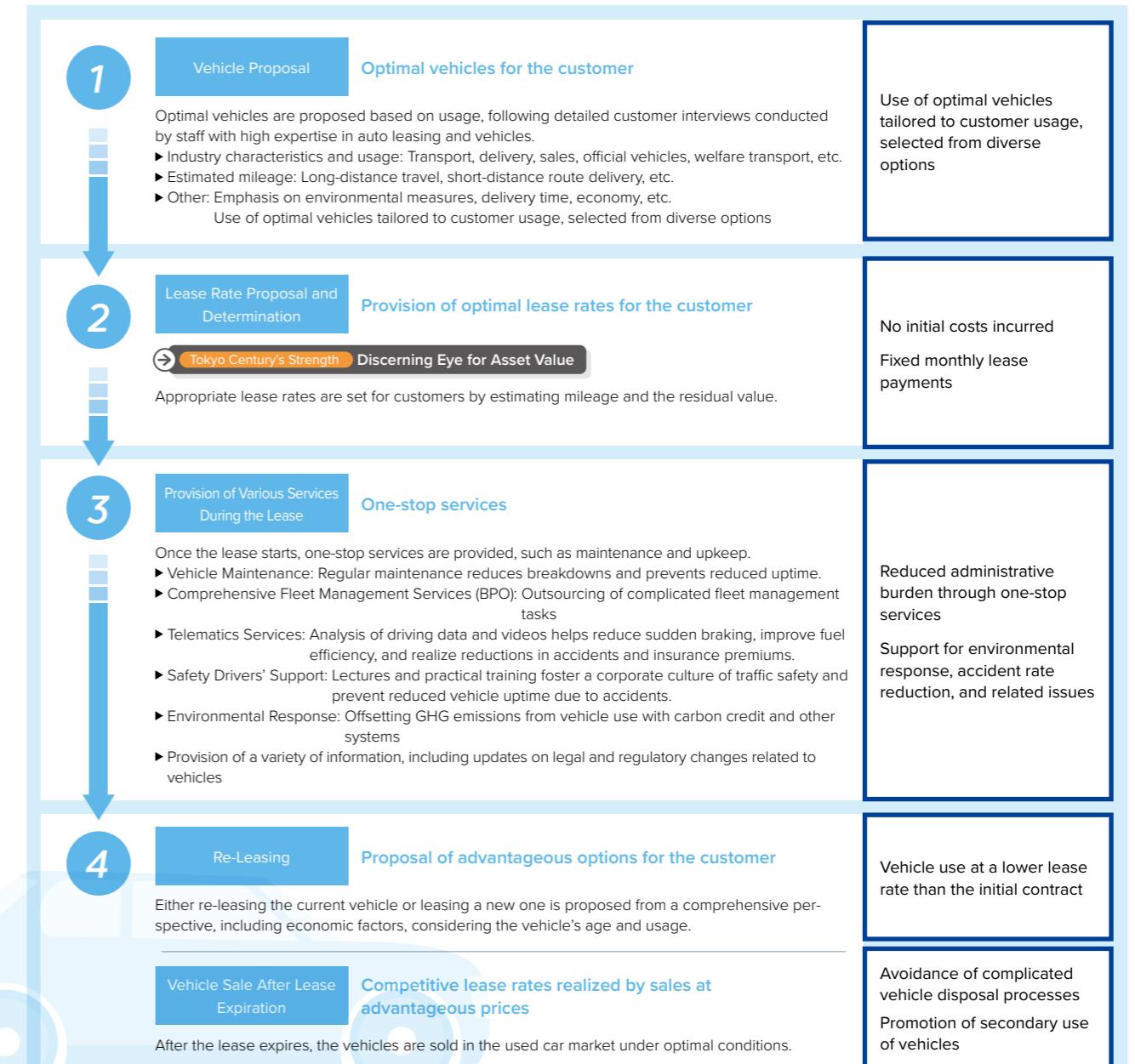
Total Vehicle Support Through Auto Leasing

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.



Overview

Creation of Customer and Social Value



Tokyo Century's Strength **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
2020– NTT TC Leasing 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 FY2024 Ordinary Income: ¥19.8 billion	2005– NCS NCS, Auto Leasing (Japan) Promotion of electric vehicle (EV) use centered on the NTT Group's fleet Acceleration of proposals of EV services to municipalities FY2024 Ordinary Income: ¥17.5 billion	2022– Real Estate (Japan) Real estate development and investment jointly with the NTT Group Use of CSI's global network to support NTT's overseas business expansion Co-creative projects advanced by CSI and NTT TC Leasing Data center projects in the U.S. and India	2020– Leasing & Financing (U.S., India, Central & South America, etc.) Joint establishment of a fund for investing in domestic renewable energy businesses	
		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 MACHINERY Establishment of a joint venture, ZAXIS Finance, to offer financing for construction machinery in North America Collaboration with Morooka and ITOCHU to promote sales of construction machinery in North America Collaboration with ITOCHU for truck finance in North America Grid-scale battery business with Osaka Gas and ITOCHU
Energy Storage	<ul style="list-style-type: none"> Establishment of a joint venture, IBeeT, to offer a distributed power source subscription service
Environment and Energy	<ul style="list-style-type: none"> Investment in Clean H2 Infra Fund, the world's first large-scale clean hydrogen infrastructure investment fund Investment in an onshore wind power project in Aomori Prefecture Investment in a renewable energy fund in North America as a limited partner
Hydrogen	<ul style="list-style-type: none"> Acquisition of the development rights regarding solar power plants in North America
Wind Power	<ul style="list-style-type: none"> Joint investment in Hyuga Biomass Power Plant in Miyazaki Prefecture
Renewable Energy	<ul style="list-style-type: none"> Collaboration in Belong One, a used smartphone and tablet device rental service for companies
Biomass	<ul style="list-style-type: none"> Store fixture leasing for FamilyMart
Other	<ul style="list-style-type: none"> Installation 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

