

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

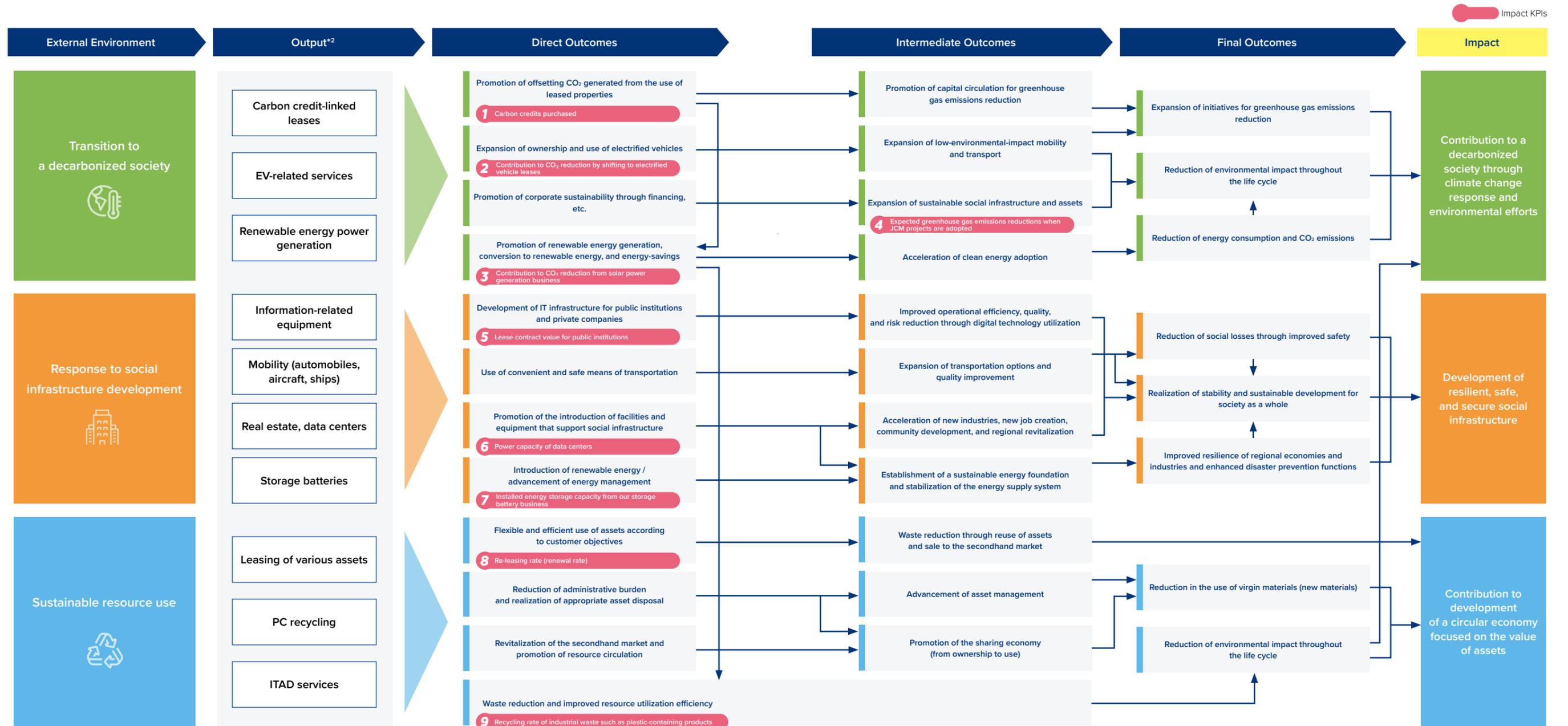
The logic model and materiality (key issues) are closely related. The logic model is a tool for logically explaining how a company's business activities contribute to solving the materiality items it has identified and how that ultimately leads to the enhancement of corporate value.

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