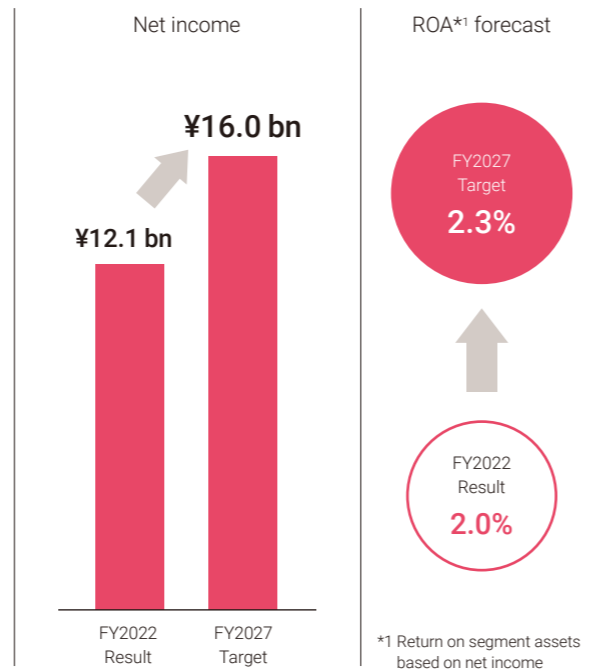


# AUTOMOBILITY

## Profit Target of Medium-Term Management Plan 2027

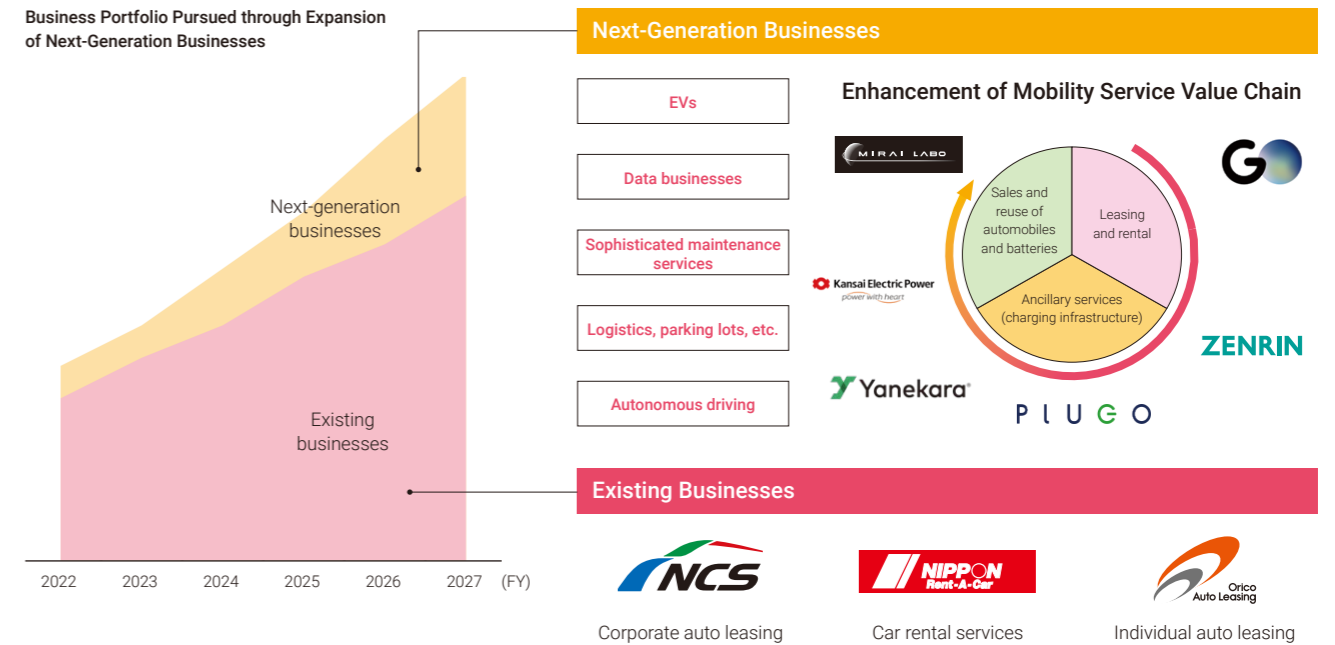


### Growth Strategies

#### Evolution of Existing Businesses and Promotion of Next-Generation Businesses

Business Unit	Strategies
<b>Existing Businesses</b> Nippon Car Solutions Co., Ltd. (NCS)	<ul style="list-style-type: none"> <li>Carbon-neutrality strategies will be accelerated through means such as ramping up electric vehicle (EV) transactions and developing and proposing new EV-related businesses.</li> <li>Strategies will be evolved by utilizing a diverse range of channels, including those of NTT, the Mizuho Group, ITOCHU, and TOKYO GAS Co., Ltd.</li> <li>M&amp;A activities and other non-organic growth methods will be used to expand strategic businesses.</li> <li>Enhancements to services and value will be pursued through the utilization of digital technologies and the cultivation of related expertise.</li> <li>The development and dissemination of a new brand for Nippon Car Solutions Co., Ltd., will be promoted alongside efforts to improve productivity, reform processes, and strategically foster human resources on a Companywide basis.</li> </ul>
Nippon Rent-A-Car Service, Inc. (NRS)	<ul style="list-style-type: none"> <li>Operating foundations will be reinforced through accelerated development of locations with a focus on addressing customer needs and achieving efficient operations.</li> <li>IT will be employed to improve operational efficiency and enhance customer services (membership services, apps, etc.).</li> <li>Trials of EV rentals will be conducted as part of decarbonization initiatives.</li> <li>The creation of new businesses that are synergistic with existing businesses will be pursued.</li> <li>The development of systems and workplace environments that emphasize people will be promoted to create a highly efficient organization.</li> </ul>
Orico Auto Leasing Co., Ltd. (OAL)	<ul style="list-style-type: none"> <li>The enhancement of business earnings will be pursued by exploring new sales channels and augmenting vehicle supply support for agents and other unique functions.</li> <li>EV leasing and other product and service offerings that accommodate market needs will be expanded and new services will be developed to increase earnings opportunities.</li> <li>Efforts will be made to cater to demand for changing vehicles in response to lease maturity or cancellation, and contract continuation rates will be heightened via re-leasing (contract extensions).</li> <li>The enhancement of sales capabilities and growth will be pursued through conversion of Orico Auto Leasing Co., Ltd., into a subsidiary by Orient Corporation.</li> </ul>
<b>Next-Generation Businesses</b>	<ul style="list-style-type: none"> <li>Frameworks will be created to allow for the provision of one-stop services to customers in EV businesses encompassing charging services, energy management, and battery reuse services.</li> <li>Efforts to create new earnings sources will be accelerated based on areas designated as next-generation businesses Tokyo Century should strengthen, including EVs, data businesses, sophisticated maintenance services, logistics, parking lots, and autonomous driving.</li> <li>Functions will be supplemented to strengthen existing businesses through coordination with partners.</li> </ul>

## Business Development Approach



## MESSAGE



The operating environment for the Automobility segment is undergoing great change. This change can be seen in the emergence of new technologies, like electrified vehicles, and the appearance of businesses based on new ideas developed by participants from other industries. At the same time, the way we use vehicles is being reexamined in light of the acceleration of workstyle reforms spurred by the COVID-19 pandemic. In this environment, we are leveraging the strength of our complete, industry-leading lineup of mobility services, including corporate and individual auto leasing, and car rental services to advance growth strategies for expanding our businesses and strengthening our operating foundation. Strategies to expand our businesses include the acceleration and enhancement of organic growth in existing businesses via differentiation through the proposal of high-value-added products and via customer retention efforts founded on the use of digital transformation and AI technologies to uncover customer needs.

We are also advancing projects for achieving non-organic growth with the goal of supplementing previously lacking functions and expanding our business scope. Other business expansion efforts include redoubling our approach toward new technologies and decarbonization by means of creating EV value chains and enhancing data analysis and utilization. As for strategies to strengthen our operating foundation, we will educate and train human resources while accelerating business process reengineering to achieve further improvements in operational efficiency using IT. Medium-Term Management Plan 2027, which was launched in fiscal 2023, defines our vision of becoming the top mobility service company in Japan. Our mission in this capacity will be to provide innovative, high-quality services to contribute to the realization of a sustainable, eco-friendly, and people-friendly mobility society with an emphasis on customer happiness and employee happiness. Our first step toward this goal was the creation of the Next Generation Automobility Business Division within the Automobility Business Development Unit in April 2023. With this new organization, we are shifting from a product-oriented perspective to a market-oriented perspective. Our goals in this undertaking are to develop a fourth pillar of business to stand alongside the existing businesses of Nippon Car Solutions; Nippon Rent-A-Car Service, Inc.; and Orico Auto Leasing. We also aim to accelerate new business initiatives for supplementing our functions in next-generation business areas. Going forward, we will take advantage of our fleet of some 720,000 vehicles to strengthen our relationships with important existing partners. At the same time, we will aggressively propose the introduction of EVs, important building blocks of a decarbonized society, while fully capitalizing on the capabilities of digital transformation and IT technologies with the goal of quickly amassing an EV fleet of around 100,000 vehicles.