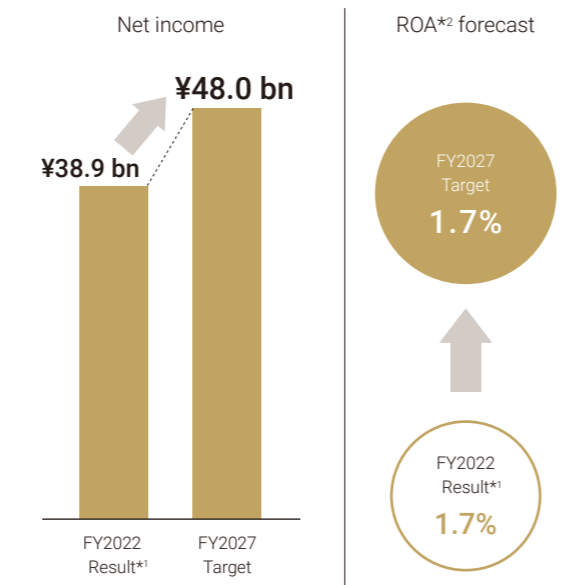


Growth Strategies by Operating Segment

# SPECIALTY FINANCING

## Profit Target of Medium-Term Management Plan 2027



\*1 Excluding extraordinary losses related to Russia (¥58.0 billion), provisional figure for fiscal 2022 reflecting adjustments made in conjunction with the establishment of the Environmental Infrastructure segment

\*2 Return on segment assets based on net income

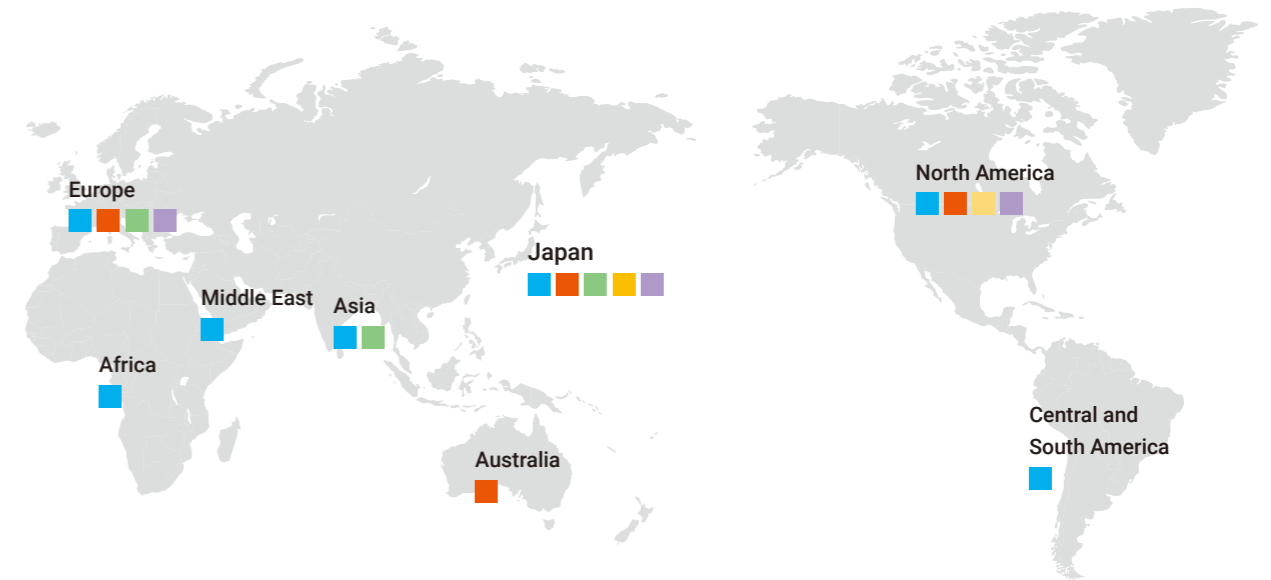
### Growth Strategies

- Aviation**
  - Previously ordered new technology aircraft will be delivered to customers amid the robust aircraft demand and rapid market recovery seen as the COVID-19 pandemic subsides while we bolster trading functions to build a high-quality portfolio.
  - By fully leveraging the solid platforms and leasing and finance functions of Aviation Capital Group LLC (ACG) and GA Telesis, LLC—which can accommodate the entire life cycle of new, mid-life, and end-of-life aircraft—and promoting coordination with these companies, we will seek to bolster our earnings power.
- Real Estate**
  - As we build upon businesses with prime partners, we will advance promising medium- to long-term projects to enhance our earnings foundation.
  - Our global portfolio will be flexibly revised based on changes to the market environment.
  - Coordination will be stepped up with subsidiary TC Kobelco Real Estate Co., Ltd.; NX-TC Lease & Finance; and affiliate NTT TC Leasing as we cultivate and enhance our staff of highly specialized employees.
- Principal Investments**
  - Joint investments with Advantage Partners Inc. will be advanced alongside enhancements to business investment models.
  - Investment in solutions to ESG, sustainability, and other social issues will be increased.
  - As efforts are made to discover potential projects through partnerships and Group networks, we will also promote improvements to the value of investees.
- Shipping**
  - Ship ownership businesses will be enhanced as a transition to high-profit business models is promoted.
  - Asset management functions will be refined and the partnership strategy will be advanced.
- New Businesses**
  - Businesses that contribute to carbon offsets and to the global environment will be advanced centered on investments as a limited partnership in the forestry fund of Sumitomo Forestry Group.
  - Opportunities for new investments that respond to decarbonization and digital transformation trends will be sought out.

## Business Development Approach

### Business Map

Aviation Real estate Shipping Principal investments Structured finance



## MESSAGE



**Shintaro Yamazaki**  
 Managing Executive Officer  
 President, Specialty Finance  
 Business Development Unit

Under the period of the previous medium-term management plan, the Specialty Financing segment continued to create new financial services that respond to changes in the operating environment. These services were supplied through aircraft leasing company ACG as well as through coordination with Advantage Partners, via which we grew our principal investment business. In addition, the segment expanded into the hotel sector in the real estate business while also investing in data centers in the United States. The aviation business, meanwhile, was heavily impacted by the COVID-19 pandemic and the war in Ukraine. However, this business has been returning to a growth track thanks to the recovery of the aviation market and ACG's ability to take quick and flexible action.

The newly launched Medium-Term Management Plan 2027 gets its start in a turbulent operating environment, plagued by changes in financial industry conditions and by a need to address climate change. Nevertheless, our principal investment and other

investment businesses as well as our real estate business maintain strong momentum, giving hope for the possibility of massive growth in the future. I also look forward to the future development of our strongly performing shipping business as well as the newly commenced storage battery, forestry, and electric vertical take-off and landing aircraft businesses, through which we began to lay the foundations for future growth. I have particularly high expectations for the forestry fund being developed together with Sumitomo Forestry as a new initiative for helping decarbonize the world. At the same time, we will be moving forward with efforts to strengthen earnings power during the period of the medium-term management plan. These efforts will include replacing low-efficiency assets and promoting asset turnover from business investments. We will also seek to heighten asset efficiency with a focus on profitability in order to develop a portfolio that contributes to higher levels of return on assets.

The Specialty Financing segment is turning its attention toward asset life cycle management with the aim of creating a value chain that covers areas spanning from product development to use, recycling, and resale. By combining our capabilities for managing assets with our financial functions, we look to expand our operations from a variety of perspectives, including that of a business that uses products and that of an entity utilizing financial expertise. Furthermore, I anticipate the emergence of a connected society in the near future. This society will be characterized by connections between everything, whether that be real estate, automobiles, railways, ships, or even aircraft components. In this society, Tokyo Century will have a role to play as a hub for such connections. As we fulfill this role, we will coordinate with partners to grow our business by combining our communications, data, infrastructure, asset management, and finance functions.