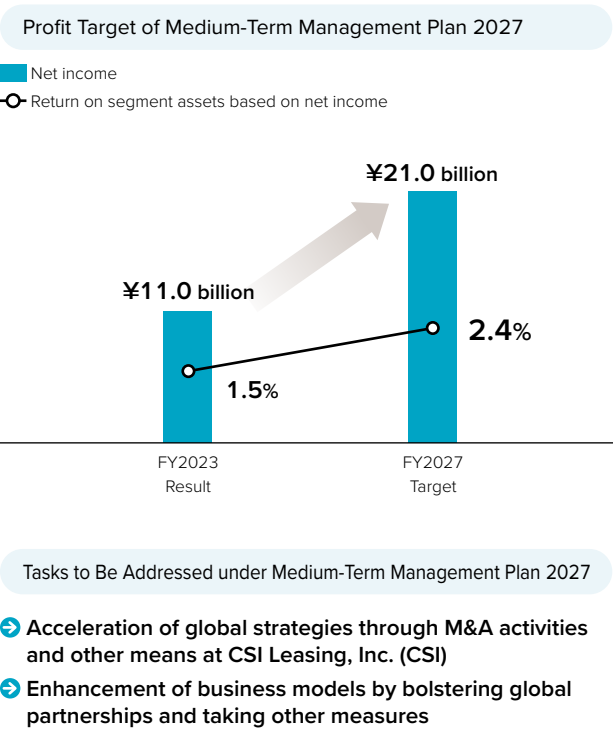
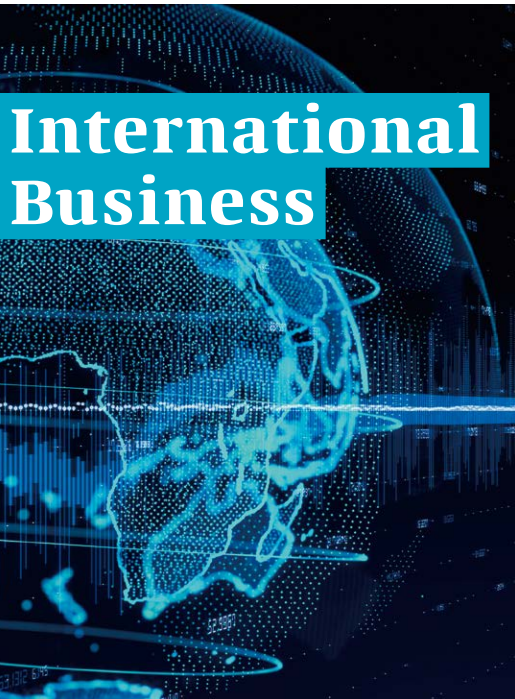


Growth Strategies by Operating Segment



Growth Strategies

CSI

- ➔ Since being consolidated in fiscal 2016, CSI has posted record highs in ordinary income for seven consecutive years through the smooth growth of its fair market value (FMV) leasing*¹ services for IT equipment and of its IT asset disposition (ITAD) services.*²
- ➔ CSI is expanding the reach of its business centered in Europe and Asia. In fiscal 2023, the company entered the markets of Indonesia, Austria, and Hungary. In its ITAD business, meanwhile, CSI acquired a Malaysian company and set up bases in Japan, Colombia, and Brazil.
- ➔ Taking advantage of the robust demand for IT services, CSI will continue to expand its network of bases while ramping up synergies with existing overseas Group companies as well as with NTT Group companies in order to strengthen its earnings foundations.

Collaboration with the NTT Group

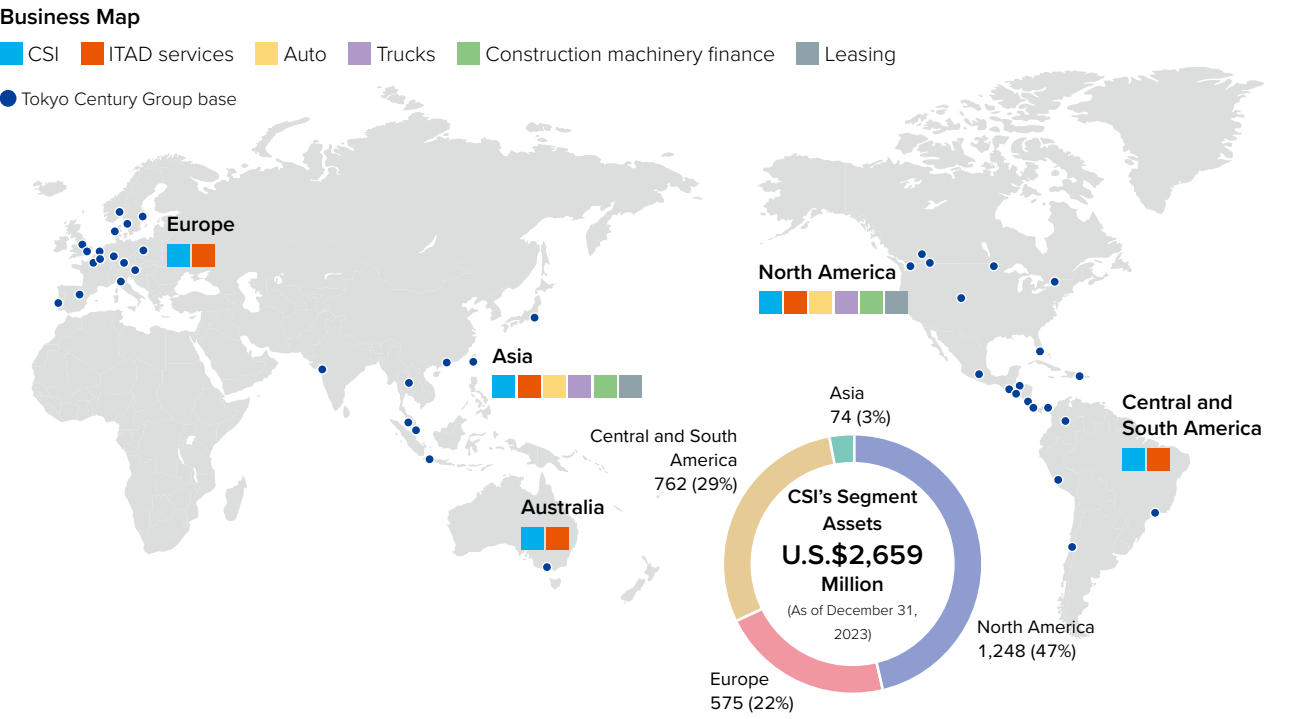
- ➔ In fiscal 2023, Tokyo Century conducted a partial transference of equity in a data center business in India and invested in data centers in Chicago, where business growth can be anticipated given the high concentration of data centers and strong demand from hyperscalers.
- ➔ Collaboration with the NTT Group in the area of managed services is being pursued on a global scale, and joint efforts with CSI are particularly brisk in Central and South America and the Asia Pacific region. A track record of collaborative initiatives with NTT TC Leasing Co., Ltd., is also being built by leveraging our respective strengths.

Partnership Strategy

- ➔ In May 2023, operations commenced at ZAXIS Financial Services Americas, LLC. The company, which provides the sales financing functions of Hitachi Construction Machinery Co., Ltd., has been experiencing smooth growth in performance. Joint venture companies are also being operated in Thailand and Indonesia, and further collaboration will be pursued.
- ➔ Spearheaded by a captive finance business developed for Isuzu Motors Limited, frameworks for collaboration are being bolstered in preparation for the introduction and deployment of electric trucks while close coordination in this area is being promoted.
- ➔ BPI Century Tokyo Lease & Finance Corporation of the Philippines, a joint venture with the Ayala Group, acquired major local independent leasing company Diamond IGB, Inc. Business growth will be targeted by strengthening maintenance functions and bolstering service lineups to include such offerings as rental cars and lease programs in which vehicles are supplied together with drivers.

*¹ Leasing based on FMV derived from the assessed residual value of IT equipment
*² Services for disposing of IT assets safely and appropriately

Business Development Approach



Interview

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

Q Could you please review the performance in fiscal 2023, particularly the issues with regard to improving base earnings (earnings power) and return on assets (ROA)?

A The International Business segment is faced with a need to improve earnings power and ROA. To address this issue, we are working aggressively to differentiate our products and services, collaborate with partners, and develop asset turn-over businesses. We have also been making steady progress in taking advantage of new business opportunities. This progress can be seen in our acquisition of Diamond IGB, a major local independent leasing company in the Philippines, a move that enabled us to diversify our service offerings, and in our investment in Motorist Pte. Ltd., an online automotive platform holder located in Singapore. In addition, we established a joint venture with KeePer Technical Laboratory Co., Ltd., a company specializing in the coating and washing of cars. Meanwhile, ZAXIS Financial Services Americas, which provides sales financing services for Hitachi Construction, began operations in the United States in May 2023 and has been steadily growing its performance. In our collaborative ventures with the NTT Group, we conducted a partial transference of equity in a data center business in India while investing in data centers in Chicago.

Q What initiatives should be accelerated to overcome the issues faced by the International Business segment?

A Medium-Term Management Plan 2027 describes our Tokyo Century Transformation (TCX) concept, which sets forth four types of business transformation. The International Business segment is advancing a variety of initiatives based on this concept. We are devoting particular attention to portfolio transformation. In this regard, we are actively transforming our portfolio to include high-profit assets and products as well as services that delight customers in areas where we are positioned to differentiate ourselves from the competition. The International Business segment is also striving to grow joint businesses together with global partners via operations that blur the boundaries between the Americas, Europe, Asia, and other regions and to create new businesses by combining its strengths with those of said partners. In our partnership with the NTT Group, we will continue to advance a joint data center project while also developing a plethora of other businesses, including IT asset managed service, FMV leasing, and ITAD service businesses that capitalize on Tokyo Century's strengths.