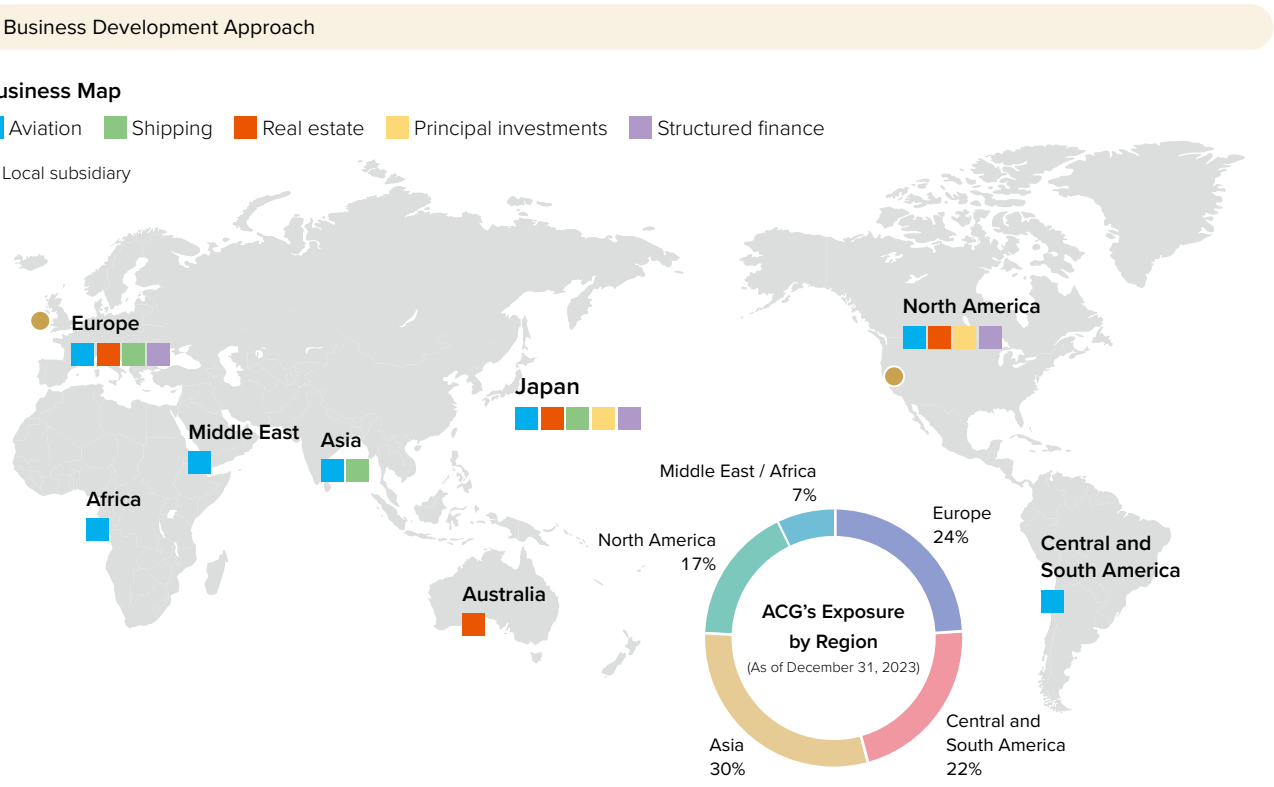
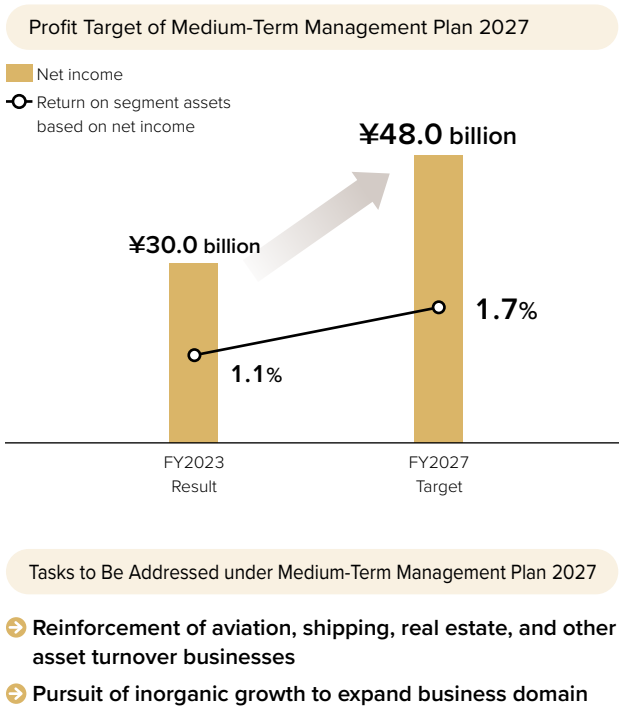


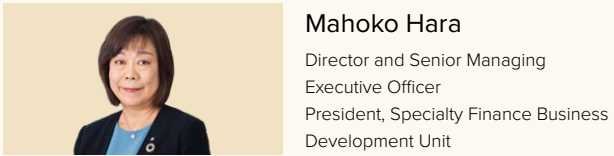
Growth Strategies by Operating Segment



Growth Strategies

Aviation	<p>➔ Aviation Capital Group LLC (ACG)</p> <p>Business portfolios will be optimized and profitability will be bolstered by expanding transactions with prime airlines and ramping up trading (through procurement and sale of aircraft based on market conditions).</p> <p>➔ Other</p> <p>The organization of Japanese operating leases with call options will be increased. Finance transactions will be bolstered and Japanese operating leases will be acquired through coordination with GA Telesis, LLC.</p>
Shipping	<p>➔ Development of a hybrid portfolio comprising both assets that generate base earnings and assets held for turnover will be sought.</p> <p>Stable earnings will be generated through long-term holdings and asset turnover centered on bulk carriers.</p> <p>➔ Finance arrangement functions will be enhanced as fee-based businesses are promoted.</p>
Real Estate	<p>➔ Japan</p> <p>Increased coordination will be pursued with NTT TC Leasing Co., Ltd., NX-TC Lease & Finance Co., Ltd., and other affiliates.</p> <p>➔ Overseas</p> <p>A selective approach will be adopted toward investments in growth assets (distribution facilities and data centers).</p> <p>➔ TC Kobelco Real Estate</p> <p>Business alliances will be strengthened with real estate developers needing increased capital due to changes in the financial environment.</p>
Principal Investments	<p>➔ Earnings foundations will be enhanced primarily through collaboration with Advantage Partners Inc.</p> <p>➔ Portfolios will be diversified through limited partnership investments in funds and debt product initiatives.</p> <p>➔ Synergies will be generated between investees and Tokyo Century businesses.</p>
New Businesses	<p>➔ Tokyo Century's asset value expertise will be utilized to create new businesses and pursue inorganic growth.</p> <p>➔ Fee-based businesses that do not require assets will be strengthened.</p>

Interview



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 In fiscal 2023, the Specialty Financing segment delivered an impressive performance driven by diligent efforts in each of our businesses. For example, we achieved a recovery in our aviation leasing business centered on ACG, while strides were made by GA Telesis, which boasts strengths in terms of secondhand aircraft and engine transactions. At the same time, we were able to generate gains on sales of assets in the real estate and shipping businesses in response to market conditions.

We are currently faced with a highly volatile operating environment, given the changes in interest rates around the world, foreign exchange rate fluctuations, and other global trends. This reality casts light on the importance of accelerating asset turnover businesses to heighten asset efficiency. The Specialty Financing segment houses strengths in terms of specialized knowledge, a discerning eye for asset value, and financial expertise. By utilizing these strengths, we aim to engage in quality projects and to sell assets when prime opportunities arise in order to bolster our earnings power.

Q What initiatives should be accelerated to overcome the issues faced by the Specialty Financing segment?

A In each of the Specialty Financing segment's businesses, we will focus on developing a portfolio that contributes to higher ROA by taking a balanced approach toward accumulating quality assets, reviewing low-profit projects, and selling assets.

Priorities in existing businesses will include enhancing finance arrangement functions and expanding fee-based businesses to bolster base earnings. We will also promote collaboration with core partners to build reliable earnings foundations. Furthermore, we will redouble our efforts to engage in projects that contribute to the accomplishment of the United Nations Sustainable Development Goals, particularly those related to decarbonization, which has been an ongoing focus. In addition, opportunities will be sought for conducting strategic investments aimed at achieving inorganic growth through the expansion of the segment's business domain.

The Specialty Financing segment deals in various products, and we possess specialized insight and unique skills with regard to said products. By further enhancing the strengths that are our specialized insight and flexibility and building stronger relationships with diverse partners, we aspire to generate a virtuous cycle of new business creation.