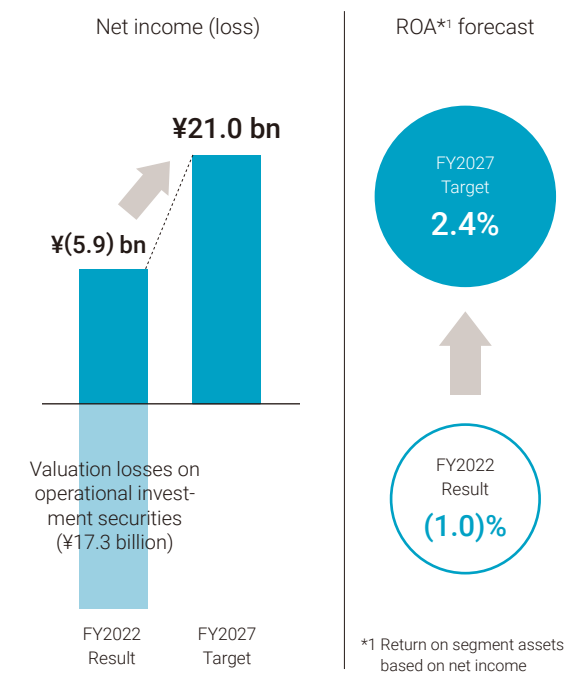


Growth Strategies by Operating Segment

INTERNATIONAL BUSINESS

Profit Target of Medium-Term Management Plan 2027



Growth Strategies

CSI

- ➔ Since being consolidated in 2016, CSI Leasing, Inc. (CSI), has continued to post new record highs in ordinary income each year achieved through the smooth growth of its fair market value (FMV) leasing,*1 IT asset disposition (ITAD) services,*2 and other businesses.
- ➔ CSI has established new bases in Northern Europe and Asia and is augmenting its ITAD service facilities in Europe and the United States, and it intends to continue to aggressively expand its business domain. At the same time, CSI's earnings foundation will be reinforced as the company accommodates the needs of multinational companies for standardized services while accelerating the creation of intra-Group synergies with existing overseas subsidiaries.
- ➔ Further growth is anticipated for CSI amid the global digitalization trend and the brisk demand for IT services seen in conjunction with the rising number of IoT devices.

Partnership Strategy

- ➔ ZAXIS Financial Services Americas, LLC, was established as a joint venture with ITOCHU and Hitachi Construction Machinery Co., Ltd. This company will utilize Tokyo Century's expertise in relation to the financial business it is developing together with Hitachi Construction, which already has a foothold in Asia, while also expanding this business in the United States.
- ➔ Through our partnership with the NTT Group, we will collaborate in deploying managed services on a global scale. In addition, existing data center businesses will be expanded in India as we also look to extend these operations to North America and other areas.
- ➔ We will expand our business through strong alliances with prime local companies and with Japanese partners.

Auto, Niche, and Other Growth Areas

- ➔ Truck, arbor equipment, and small construction equipment dealer Fiber Marketing International, Inc., is providing one-stop services together with financing company AP Equipment Financing Inc. Going forward, we will seek to explore niche markets through means such as expanding our dealer network via M&A and other activities.
- ➔ In the auto business, we are bolstering auto leasing operations while improving installment payment and other services through digital transformation. In addition, growth is being accelerated through M&A activities.
- ➔ Environment-related business initiatives will include the ongoing advancement of the projects in which Tokyo Century functions as a representative under Financing Programme for Joint Crediting Mechanism (JCM) Model Projects along with proactive efforts to accommodate the shift toward EVs and other eco-friendly automobiles.

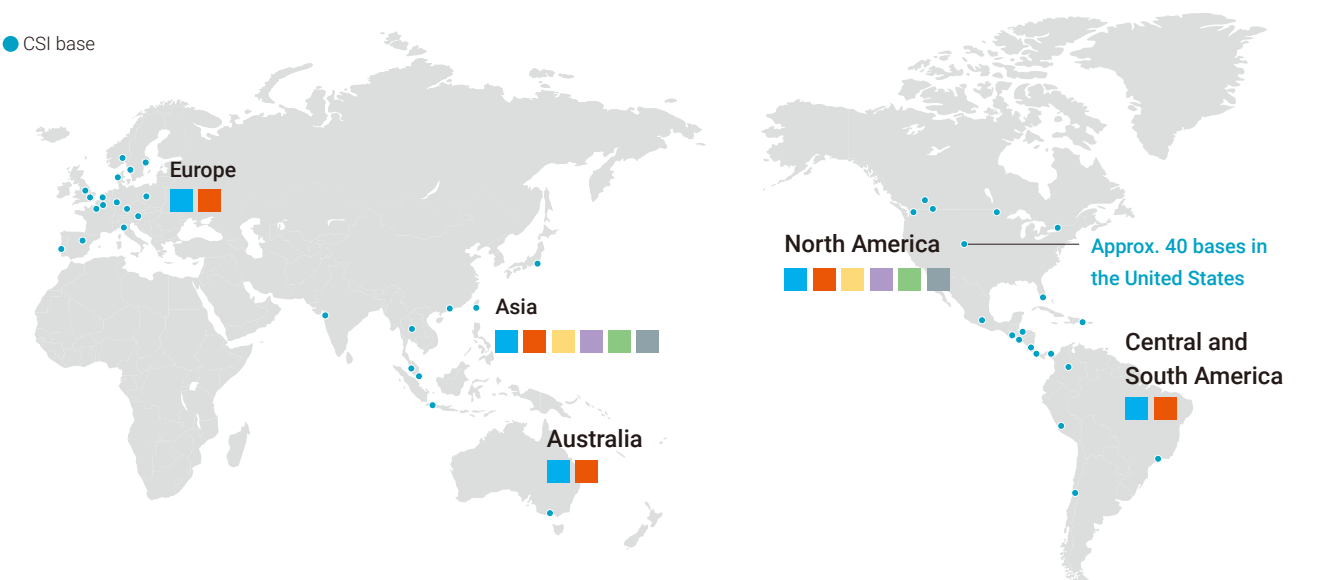
*1 Leasing based on FMV derived from the assessed residual value of IT equipment
*2 Services for disposing of IT assets safely and appropriately

Business Development Approach

Business Map

CSI ITAD* services Auto Trucks Construction machinery finance Leasing

● CSI base



MESSAGE



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

The International Business segment had to develop its business amid the global impacts of the COVID-19 pandemic during the period of the previous medium-term management plan. Nevertheless, we succeeded in growing ordinary income to ¥10.7 billion in fiscal 2020 and to ¥19.0 billion in fiscal 2021. In fiscal 2022, however, valuation losses on operational investment securities of ¥18.7 billion were recorded, proving to be the main factor in the segment posting ordinary loss of ¥0.9 billion. Despite this loss, the segment has continued to achieve steady growth.

A central pillar of the growth of the International Business segment is U.S. subsidiary CSI. In the midst of the pandemic, this company established new bases in Northern Europe and Asia

while also augmenting its network of ITAD service facilities in Europe and the United States, thereby laying the foundations for steady growth. CSI provides leasing and ITAD services in more than 50 countries. Going forward, we intend to continue utilizing the strength of CSI's base network and the value of its ITAD services to expand its presence and achieve substantial growth by catering to the needs of multinational companies. Meanwhile, in the United States, ZAXIS Financial Services Americas, which operates under the Hitachi Construction brand, was established, and we are also working to expand our financing and dealership businesses with regard to specialty equipment and other niche fields. In Asia, we are growing our business through collaboration with partners while cementing our operating foundations centered on auto businesses. The segment is also actively expanding its JCM projects and environment-related businesses. In our collaborative efforts with the NTT Group, we are globally deploying managed services and expanding our jointly operated data center business into North America based on the success thereof seen in India.

Medium-Term Management Plan 2027, which began in fiscal 2023, prescribes the ongoing advancement of alliance strategies as we leverage strengths in the IT, mobility, and environmental fields to differentiate our operations through a focus on growth and niche areas. At the same time, we aim to place local hires in management positions at overseas subsidiaries while also heightening engagement with employees. Meanwhile, we will enhance customer services through the proactive use of green transformation and digital transformation in pursuit of rapid growth going forward.