

These consolidated financial results are an English translation of excerpts from the Japanese “*Kessan Tanshin*” including attachments filed with the Tokyo Stock Exchange, solely for the convenience of readers outside Japan.

This report has been prepared in accordance with accounting principles and practices generally accepted in Japan. Amounts less than ¥1 million have been omitted unless otherwise stated.

## **Consolidated Financial Results (*Kessan Tanshin*) for the Nine Months of Fiscal Year Ending March 31, 2024 [Japan GAAP]**

February 9, 2024

Name of Listed Company: Tokyo Century Corporation

Stock Exchange Listing: Tokyo

Securities Code: 8439

(URL: <https://www.tokyocentury.co.jp/en/>)

Representative: Koichi Baba, President & CEO, Representative Director

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Scheduled Reportable Date of Quarterly Securities Report: February 9, 2024

Scheduled Payment Date of Dividends: –

Preparation of Supplementary Reference Documents: Yes

Holding of Quarterly Earnings Call: Yes (for institutional investors and analysts)

(Amounts less than one million yen are omitted.)

### 1. Consolidated Performance

	<b>Nine Months Ended December 31, 2022</b>	<b>Nine Months Ended December 31, 2023</b>	<b>YoY</b>
	<i>(Millions of yen)</i>		<i>(Percentage change)</i>
<b>(1) Consolidated business results:</b>			
Revenues	958,469	1,003,363	4.7%
Operating income	69,078	81,814	18.4%
Ordinary income	82,577	91,172	10.4%
Net income attributable to owners of parent	(10,169)	57,054	–%
Basic earnings per share ( <i>Yen</i> )	(20.78)	116.52	
Diluted earnings per share ( <i>Yen</i> )	–	116.07	

Notes:

Total comprehensive income

For the nine months ended December 31, 2023:                      ¥184,498 million                      2.0%

For the nine months ended December 31, 2022:                      ¥180,803 million                      80.0%

The Company conducted a 4-for-1 stock split of its common shares effective January 1, 2024. The basic earnings per share and the diluted earnings per share have been calculated based on the premise that the stock split was conducted at the beginning of the previous fiscal year.

	<b>As of March 31, 2023</b>	<b>As of December 31, 2023</b>
	<i>(Millions of yen)</i>	
<b>(2) Consolidated financial condition:</b>		
Total assets	6,082,114	6,356,190
Net assets	888,985	1,038,088
Shareholders' equity ratio	12.5%	14.4%

Reference:

Shareholders' equity

As of December 31, 2023:                      ¥913,363 million

As of March 31, 2023:                      ¥761,597 million

## 2. Dividends

	Dividends per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	Year-End	Total
Fiscal 2022	–	71.00	–	72.00	143.00
Fiscal 2023	–	100.00	–		
Fiscal 2023 (Forecast)				25.00	–

Note: Revisions to the most recently announced forecast of dividends: None

The Company conducted a 4-for-1 stock split of its common shares effective January 1, 2024. The year-end dividend per share for the fiscal year ending March 31, 2024 (forecast) is presented in an amount taking into account the effects of the stock split. The forecast of annual dividends is not presented because a simple calculation is not possible due to the stock split.

The year-end dividend per share and the annual dividend per share for the fiscal year ending March 31, 2024 (forecast) without considering the stock split are ¥100 and ¥200, respectively.

## 3. Consolidated Results Forecast for the Fiscal Year Ending March 31, 2024 (As of February 9, 2024)

	Full year	YoY
	(Millions of yen)	(Percentage change)
Ordinary income	110,000	3.6%
Net income attributable to owners of parent	70,000	–%
Basic earnings per share (Yen)	142.97	

Note: Revisions to the most recently announced forecast of consolidated results: None

The basic earnings per share in the consolidated results forecast for the fiscal year ending March 31, 2024 (full-year) take into account the effects of the stock split.

### Notes

(1) Changes in status of significant subsidiaries during the period under review (changes in status of specified subsidiaries resulting in change in scope of consolidation): None

(2) Adoption of special accounting treatments for quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

1) Changes in accounting policies due to reforms of accounting standards: Yes

2) Changes in accounting policies other than item 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

Note: For details, please refer to “2. Consolidated Financial Statements and Primary Notes, (3) Notes to the Consolidated Financial Statements, Changes in Accounting Policies” on page 10 of the Attached Documents.

(4) Number of shares of common stock issued

1) Number of shares issued at the end of the period (including treasury stock)

As of March 31, 2023: 492,113,280 shares

As of December 31, 2023: 492,113,280 shares

2) Number of shares of treasury stock at the end of the period

As of March 31, 2023: 2,510,128 shares

As of December 31, 2023: 2,458,860 shares

3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022: 489,393,172 shares

Nine months ended December 31, 2023: 489,655,095 shares

Note:

The Company conducted a 4-for-1 stock split of its common shares effective January 1, 2024. The number of shares issued at the end of the period, the number of shares of treasury stock at the end of the period, and the average number of shares outstanding during the period have been calculated based on the premise that the stock split was conducted at the beginning of the previous fiscal year.

These quarterly financial results are outside the scope of quarterly review by certified public accountant or audit firm.

Explanation related to forward-looking statements and other items warranting special mention

(Regarding forward-looking statements)

The statements concerning future performance presented in this document are prepared based on currently available information and certain preconditions that Tokyo Century Corporation and its Group companies believe to be reasonable at the publication of this document. These statements do not purport that the Company pledges to realize such statements. Actual results may be substantially different from any projections presented herein due to various factors.

(Methods for obtaining supplementary reference documents for quarterly financial statements)

The supplementary reference documents were disclosed on the TDnet on the same date as this document (Japanese only) and were also posted on the Company's website. The Company plans to hold an earnings call (audio conference) for institutional investors and analysts on Tuesday, February 13, 2024.

## 1. Qualitative Information Concerning Financial Results for the Nine Months of Fiscal Year Ending March 31, 2024

\* In this section 1 “Qualitative Information Concerning Financial Results for the Nine Months of Fiscal Year Ending March 31, 2024,” the amounts expressed in units of millions have been rounded off to the nearest hundred million.

### (1) Explanation of Results of Operations

During the nine months ended December 31, 2023, revenues increased ¥44,900 million, or 4.7%, to ¥1,003,400 million, and gross profit increased ¥22,200 million, or 13.2%, to ¥190,500 million, respectively, from the same period of the previous fiscal year, due to an increase in income in the International Business segment and the Automobility segment.

Selling, general and administrative expenses increased ¥9,500 million, or 9.6%, to ¥108,700 million from the same period of the previous fiscal year, mainly due to increases in personnel and non-personnel expenses in the International Business segment and the Automobility segment.

Non-operating income and expenses decreased ¥4,100 million, or 30.7%, to an income of ¥9,400 million from the same period of the previous fiscal year. This was mainly caused by a decrease in equity in earnings of affiliates.

Due to the factors mentioned above, ordinary income increased ¥8,600 million, or 10.4%, to ¥91,200 million from the same period of the previous fiscal year.

Extraordinary income was ¥1,700 million, income taxes increased ¥16,500 million, or 164.2%, to ¥26,600 million, and net income attributable to non-controlling interests increased ¥1,500 million, or 19.0%, to ¥9,300 million, respectively, from the same period of the previous fiscal year.

As a result, net income attributable to owners of parent was ¥57,100 million (net loss of ¥10,200 million in the same period of the previous fiscal year).

Average exchange rate during the period for the preparation of consolidated financial statements for the major overseas subsidiaries and affiliates closing accounts in December is ¥138.25/US\$ for the first nine months of the fiscal year ended December 31, 2023 (January to September 2023) and ¥128.30/US\$ for the first nine months of the fiscal year ended December 31, 2022 (January to September 2022).

### (Overview of Business Results by Segment)

With the organizational change on April 1, 2023, the Group separated and newly established the Environmental Infrastructure segment from the Specialty Financing segment with the aim of strengthening and expanding environmental energy businesses, such as renewable energy in Japan and overseas, to strongly support business strategy toward decarbonization, and changed its operating segments and other matters. With regard to the Mobility & Fleet Management segment, we renamed it to the Automobility segment. In addition, in the Medium-Term Management Plan 2027 adopted by the Company’s Board of Directors meeting held on May 12, 2023, we decided to align financial targets with net income-based figures.

In line with these changes, effective from the first quarter of the fiscal year ending March 31, 2024, the Group changed the reportable segments to the five segments, Equipment Leasing, Automobility, Specialty Financing, International Business, and Environmental Infrastructure. In addition, segment income was changed from ordinary income to net income attributable to owners of parent.

Business results by segment were as follows.

Revenues for each segment represent “revenues from customers,” and segment income or loss represents the amount for the “reportable segment.”

The year-on-year comparisons are made with the figures of the previous fiscal year based on the changed classification.

#### Equipment Leasing

Revenues decreased ¥17,600 million, or 4.9%, to ¥343,400 million, and segment income decreased ¥100 million, or 0.6%, to ¥17,300 million, respectively, from the same period of the previous fiscal year. The balance of segment assets decreased ¥76,500 million, or 5.9%, to ¥1,210,600 million from the end of the previous fiscal year. The decrease was mainly because of the transition of Orico Business Leasing Co., Ltd. (hereinafter “OBL”), which was a consolidated subsidiary of the Company, to an equity-method affiliate.

#### Automobility

Revenues decreased ¥3,000 million, or 1.1%, to ¥262,200 million, and segment income increased ¥4,100 million,

or 41.0%, to ¥14,100 million, respectively, from the same period of the previous fiscal year. The increase in segment income was mainly because of a significant improvement in profitability as a result of promoting highly efficient operations in the car rental business and an increase in gains on sales of lease and rental vehicles. The balance of segment assets decreased ¥129,200 million, or 21.1%, to ¥482,300 million from the end of the previous fiscal year. The decrease was mainly because of the transition of Orico Auto Leasing Co., Ltd. (hereinafter “OAL”), which was a consolidated subsidiary of the Company, to an equity-method affiliate.

#### Specialty Financing

Revenues increased ¥36,000 million, or 18.9%, to ¥226,600 million, and segment income amounted to ¥24,000 million (segment loss of ¥26,700 million in the same period of the previous fiscal year mainly caused by the recording of impairment loss on Russia-related aircraft). The balance of segment assets increased ¥422,700 million, or 17.0%, to ¥2,913,300 million from the end of the previous fiscal year mainly caused by foreign exchange fluctuations.

#### International Business

Revenues increased ¥22,000 million, or 21.1%, to ¥126,200 million, and segment income amounted to ¥6,600 million (segment loss of ¥8,900 million in the same period of the previous fiscal year mainly caused by the recording of a loss on valuation of operational investment securities held by consolidated subsidiaries). The balance of segment assets increased ¥124,700 million, or 19.0%, to ¥780,400 million from the end of the previous fiscal year mainly caused by foreign exchange fluctuations.

#### Environmental Infrastructure

Revenues increased ¥7,500 million, or 20.3%, to ¥44,300 million, and segment income increased ¥2,900 million, or 490.7%, to ¥3,500 million, respectively, from the same period of the previous fiscal year. The increase in segment income was mainly due to bad debt expense and the elimination of trial operating cost recorded in the same period of the previous fiscal year. The balance of segment assets decreased ¥15,500 million, or 5.6%, to ¥262,400 million from the end of the previous fiscal year.

#### (2) Explanation of Financial Conditions

Total assets at the end of the third quarter of the fiscal year ending March 31, 2024 increased ¥274,100 million, or 4.5%, to ¥6,356,200 million, and segment assets increased ¥328,700 million, or 6.1%, to ¥5,692,500 million from the end of the previous fiscal year mainly caused by foreign exchange fluctuations. Total liabilities increased ¥125,000 million, or 2.4%, to ¥5,318,100 million, and interest-bearing debts increased ¥154,600 million, or 3.4%, to ¥4,669,300 million, respectively, from the end of the previous fiscal year.

Total net assets increased ¥149,100 million, or 16.8%, to ¥1,038,100 million from the end of the previous fiscal year. This was mainly caused by a ¥35,600 million increase in retained earnings and a ¥101,000 million increase in translation adjustments.

As a result, the shareholders' equity ratio increased by 1.9 percentage points compared with the end of the previous fiscal year to 14.4%.

Exchange rate at the end of the period for the preparation of consolidated financial statements for the major overseas subsidiaries and affiliates closing accounts in December is ¥149.58/US\$ at the end of the third quarter of the fiscal year ended December 31, 2023 (September 30, 2023) and ¥132.70/US\$ at the end of the previous fiscal year (December 31, 2022).

#### (3) Explanation of Future Forecast Information such as Consolidated Results Forecast

We have made no revision to the consolidated results forecast which was announced on May 12, 2023.

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash on hand and in banks	216,437	164,521
Accounts receivable - installment sales	161,678	167,319
Lease receivables and investment assets	1,565,153	1,328,966
Loans	450,576	465,808
Operational investment securities	326,042	402,861
Accounts receivable - leases	74,572	65,643
Short-term investment securities	300	200
Inventories	28,147	28,149
Other current assets	180,748	235,006
Allowance for doubtful accounts	(6,862)	(4,318)
<b>Total current assets</b>	<b>2,996,794</b>	<b>2,854,158</b>
Non-current assets		
Property and equipment		
Leased assets	2,229,830	2,570,766
Advances for purchases of property for lease	81,147	93,028
Other operating assets	214,976	201,841
Construction in progress	5,105	5,170
Own assets in use	23,773	28,124
<b>Total property and equipment</b>	<b>2,554,833</b>	<b>2,898,931</b>
Intangible assets		
Computer programs leased to customers	2,640	2,465
Goodwill	58,064	59,940
Other intangible assets	34,751	40,777
<b>Total intangible assets</b>	<b>95,455</b>	<b>103,183</b>
Investments and other assets		
Investments in securities	325,745	390,051
Claims provable in bankruptcy or rehabilitation	10,432	8,010
Deferred tax assets	30,279	26,931
Retirement benefit asset	177	190
Other investments	73,362	77,804
Allowance for doubtful accounts	(7,533)	(5,117)
<b>Total investments and other assets</b>	<b>432,464</b>	<b>497,871</b>
<b>Total non-current assets</b>	<b>3,082,753</b>	<b>3,499,986</b>
Deferred assets	2,567	2,045
<b>Total assets</b>	<b>6,082,114</b>	<b>6,356,190</b>

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	202,665	174,697
Short-term borrowings	278,054	332,273
Current portion of bonds	144,199	72,157
Current portion of long-term debt	905,570	794,267
Commercial papers	352,307	366,530
Payables under fluidity lease receivables	17,000	11,300
Current portion of long-term payables under fluidity lease receivables	2,490	2,490
Accrued income taxes	12,157	8,874
Deferred profit on installment sales	14,173	15,438
Provision for bonuses	3,772	2,614
Provision for directors' bonuses	257	332
Other provisions	70	1,307
Other current liabilities	173,463	145,469
<b>Total current liabilities</b>	<b>2,106,181</b>	<b>1,927,754</b>
Long-term liabilities		
Bonds payable	908,454	1,098,890
Long-term debt	1,900,271	1,986,913
Long-term payables under fluidity lease receivables	6,310	4,450
Deferred tax liabilities	43,100	54,357
Provision for directors' retirement benefits	415	398
Provision for automobile inspection costs	793	745
Other provisions	930	290
Net defined benefit liability	12,303	12,517
Other long-term liabilities	214,365	231,785
<b>Total long-term liabilities</b>	<b>3,086,946</b>	<b>3,390,348</b>
<b>Total liabilities</b>	<b>5,193,128</b>	<b>5,318,102</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock without par value	81,129	81,129
Capital surplus	56,491	56,199
Retained earnings	474,223	509,832
Treasury stock	(1,631)	(1,599)
<b>Total shareholders' equity</b>	<b>610,212</b>	<b>645,561</b>
Accumulated other comprehensive income		
Net unrealized holding gains on securities	20,781	31,263
Net unrealized gains on derivative instruments	7,298	12,083
Translation adjustments	123,168	224,187
Remeasurements of defined benefit plans	137	267
<b>Total accumulated other comprehensive income</b>	<b>151,384</b>	<b>267,802</b>
Share subscription rights	2,039	2,240
Non-controlling interests	125,349	122,484
<b>Total net assets</b>	<b>888,985</b>	<b>1,038,088</b>
<b>Total liabilities and net assets</b>	<b>6,082,114</b>	<b>6,356,190</b>

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income  
(For the nine months ended December 31, 2022 and 2023)

(Millions of yen)

	<b>Nine months ended December 31, 2022 (Apr. 1 to Dec. 31, 2022)</b>	<b>Nine months ended December 31, 2023 (Apr. 1 to Dec. 31, 2023)</b>
Revenues	958,469	1,003,363
Costs	790,172	812,846
Gross profit	168,297	190,516
Selling, general and administrative expenses	99,219	108,701
Operating income	69,078	81,814
Non-operating income		
Interest income	79	388
Dividend income	2,886	1,039
Equity in earnings of affiliates	16,278	13,317
Foreign exchange gains	–	348
Other	1,228	710
Total non-operating income	20,472	15,804
Non-operating expenses		
Interest expense	4,180	5,864
Foreign exchange losses	629	–
Trial operating cost	*1 1,819	–
Other	344	581
Total non-operating expenses	6,973	6,446
Ordinary income	82,577	91,172
Extraordinary income		
Gain on sale of shares of subsidiaries	–	1,046
Gain on sales of investment securities	2,814	760
Other	447	95
Total extraordinary income	3,261	1,902
Extraordinary losses		
Loss on disposal of non-current assets	69	71
Russia-related losses	*2 77,136	–
Loss on disaster	–	59
Other	964	64
Total extraordinary losses	78,170	195
Income before income taxes	7,669	92,879
Income taxes	10,054	26,558
Net income (loss)	(2,384)	66,321
Net income attributable to non-controlling interests	7,784	9,267
Net income (loss) attributable to owners of parent	(10,169)	57,054



Consolidated Statements of Comprehensive Income  
(For the nine months ended December 31, 2022 and 2023)

(Millions of yen)

	<b>Nine months ended December 31, 2022 (Apr. 1 to Dec. 31, 2022)</b>	<b>Nine months ended December 31, 2023 (Apr. 1 to Dec. 31, 2023)</b>
Net income (loss)	(2,384)	66,321
Other comprehensive income		
Net unrealized holding gains (losses) on securities	(1,008)	10,107
Net unrealized gains on derivative instruments	10,174	4,581
Translation adjustments	167,935	97,053
Remeasurements of defined benefit plans	46	160
Share of other comprehensive income of affiliates accounted for using equity method	6,040	6,274
Total other comprehensive income	183,188	118,177
<b>Comprehensive income</b>	<b>180,803</b>	<b>184,498</b>
Comprehensive income attributable to:		
Owners of parent	171,627	173,471
Non-controlling interests	9,176	11,027

(3) Notes to the Consolidated Financial Statements

Notes on Going Concern Assumption

Not applicable

Notes in the Case of Material Changes in Shareholders' Equity

Not applicable

Adoption of Special Accounting Treatments for Quarterly Consolidated Financial Statements

(Calculation of Tax Expenses)

We reasonably estimate an effective tax rate after applying tax effect accounting to income before income taxes for the fiscal year ending March 31, 2024, and adopt a method to calculate tax expenses by multiplying income before income taxes by the estimated effective tax rate.

However, where the amount of tax expenses calculated using the estimated effective tax rate is obviously unreasonable, tax expenses are calculated by multiplying income before income taxes by the effective tax rate designated by law after adjusting for significant differences that are not temporary differences.

Changes in Accounting Policies

(Application of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments—Credit Losses*)

Starting at the beginning of the first quarter of the fiscal year ending March 31, 2024, certain foreign consolidated subsidiaries adopting U.S. GAAP applied ASU No. 2016-13, *Financial Instruments—Credit Losses*. With this application, the concept of expected credit losses for financial assets was introduced instead of the previous concept of incurred losses, and a provision for expected credit losses for the entire period is recognized at the time of initial recognition.

The effect of this change on the quarterly consolidated financial statements is not material.

Additional Information

(Aircraft Purchase Committed by a Consolidated Subsidiary of the Company)

As of September 30, 2023, consolidated subsidiary Aviation Capital Group LLC had commitments to purchase 127 aircraft (mainly narrow-body) from Boeing, Airbus, and other institutions scheduled for delivery through 2028. The estimated aggregate remaining payments for the purchase of aircraft are ¥1,001,268 million (US\$6,693 million).

Consolidated Statements of Income

\*1 Trial operating cost

Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

It mainly represents cost required for the test running of power generation facilities owned by a consolidated subsidiary of the Company.

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

Not applicable

\*2 Russia-related losses

Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

Impairment loss

In the wake of the ongoing Russia's invasion of Ukraine that started on February 24, 2022, the United States, the European Union (EU), Britain, Japan and other countries have imposed wide-ranging economic sanctions on Russian industries and other related parties. These economic sanctions include the ban on the supply of aircraft to Russia through leasing.

ACG, a consolidated subsidiary of the Company, has complied with this economic sanction and terminated all its aircraft leases with Russian airlines, while taking various steps for the return of aircrafts. However, as a countermeasure against economic sanctions, Russia has enacted a law allowing foreign-registered aircraft leased from foreign leasing companies to be re-registered and operated in Russia, creating future uncertainty.

Given this situation, it became difficult to estimate future cash flows with regard to the eight aircraft with terminated leases, and the Company recorded the entire book value of ¥48,914 million as extraordinary losses.

Bad debt expense

The Company had initially judged that the recovery of ACG's financing and loan guarantee to one Russian-registered airline would be possible by transferring the collateralized aircraft out of Russia and restructuring the financing structure. However, due in part to the prolonged invasion of Ukraine, there has subsequently been a delay in the procedure of transferring the aircraft out of Russia and no progress in the approval process on the Russian side.

In response to this situation, the Company determined that there was no prospect of recovering the financing and loan guarantee and recorded its full amount of ¥28,222 million as extraordinary losses.

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)  
Not applicable

### Segment Information

(Matters relating to Changes in Reportable Segments)

With the organizational change on April 1, 2023, the Group separated and newly established the Environmental Infrastructure segment from the Specialty Financing segment with the aim of strengthening and expanding environmental energy businesses, such as renewable energy in Japan and overseas, to strongly support business strategy toward decarbonization, and changed its operating segments and other matters. With regard to the Mobility & Fleet Management segment, we renamed it to the Automobility segment. In addition, in the Medium-Term Management Plan 2027 adopted by the Company's Board of Directors meeting held on May 12, 2023, we decided to align financial targets with net income-based figures.

In line with these changes, effective from the first quarter of the fiscal year ending March 31, 2024, the Group changed the reportable segments to the five segments, Equipment Leasing, Automobility, Specialty Financing, International Business, and Environmental Infrastructure. In addition, segment income was changed from ordinary income to net income attributable to owners of parent.

The details of the reportable segments after the change are as follows.

- (a) Equipment Leasing: Leasing and finance (money-lending and investment) including ancillary services and other businesses dealing with information and communications equipment, office equipment, industrial machinery, transportation equipment, and equipment for commercial and service industries
- (b) Automobility: Automobile leasing for corporate customers and individuals, car rental and car sharing businesses, and others
- (c) Specialty Financing: Leasing and finance (money-lending and investment) including ancillary services and other businesses focusing on product fields, such as shipping, aviation, and real estate in Japan and overseas
- (d) International Business: Leasing and finance (money-lending and investment) including ancillary services and fleet services businesses, and others, mainly in East Asia, ASEAN, North, Central and South America
- (e) Environmental Infrastructure: Electric power generation business and leasing and finance (money-lending and investment) including ancillary services and other businesses related to renewable energy, etc. in Japan and overseas

The presented segment information of the nine months ended December 31, 2022 was prepared with the changed classification.

I. Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

1. Information concerning the amount of revenues and income/loss by reportable segment and disaggregated revenues  
(Millions of yen)

	Reportable Segment						Other (Note 1) (Note 2)	Total	Adjustment (Note 3)	Amount shown on the Consolidated Statements of Income (Note 4)
	Equipment Leasing	Automobility	Specialty Financing	International Business	Environmental Infrastructure	Total				
Revenues										
Revenues from customers (Note 5)	360,978	265,259	190,588	104,214	36,815	957,856	613	958,469	–	958,469
Intersegment revenues/transfers	268	709	130	52	–	1,160	253	1,413	(1,413)	–
Total	361,246	265,969	190,718	104,266	36,815	959,016	866	959,883	(1,413)	958,469
Segment income (loss)	17,403	9,976	(26,733)	(8,880)	599	(7,633)	4,189	(3,443)	(6,725)	(10,169)

Notes: 1. “Other” includes casualty insurance agency business, which is not included in any reportable segment.

2. Segment income for “Other” includes equity in earnings of affiliates resulting from the application of the equity-method to BOT Lease Co., Ltd.

3. Adjustment to segment income (loss) mainly consists of general and administrative expenses, which are not attributed to reportable segments.

4. Segment income (loss) is adjusted with net income (loss) attributable to owners of parent shown on the quarterly consolidated statement of income.

5. Revenues from contracts with customers included in revenues for the nine months ended December 31, 2022 for each of the reportable segments, i.e., Equipment Leasing, Automobility, Specialty Financing, International Business, and Environmental Infrastructure, were ¥1,731 million, ¥9,670 million, ¥23,138 million, ¥7,231 million, and ¥34,789 million, respectively.

2. Information concerning impairment loss on non-current assets, goodwill, etc., by reportable segment

In Specialty Financing, an impairment loss of ¥48,914 million for aircraft leased assets to Russian airline companies was recorded as an extraordinary loss. In addition, an impairment loss of ¥926 million for assets related to the leasing of aircraft was recorded in costs.

II. Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

1. Information concerning the amount of revenues and income/loss by reportable segment and disaggregated revenues  
(Millions of yen)

	Reportable Segment						Other (Note 1)	Total	Adjustment (Note 2)	Amount shown on the Consolidated Statements of Income (Note 3)
	Equipment Leasing	Automobility	Specialty Financing	International Business	Environmental Infrastructure	Total				
Revenues										
Revenues from customers (Note 4)	343,390	262,220	226,637	126,198	44,282	1,002,729	634	1,003,363	–	1,003,363
Intersegment revenues/transfers	276	691	142	62	0	1,172	295	1,467	(1,467)	–
Total	343,666	262,911	226,779	126,260	44,282	1,003,901	929	1,004,831	(1,467)	1,003,363
Segment income	17,298	14,071	24,016	6,630	3,542	65,559	610	66,170	(9,115)	57,054

Notes: 1. “Other” includes casualty insurance agency business, which is not included in any reportable segment.

2. Adjustment to segment income mainly consists of general and administrative expenses, which are not attributed to reportable segments.

3. Segment income is adjusted with net income attributable to owners of parent shown on the quarterly consolidated statement of income.

4. Revenues from contracts with customers included in revenues for the nine months ended December 31, 2023 for each of the reportable segments, i.e., Equipment Leasing, Automobility, Specialty Financing, International Business, and Environmental Infrastructure, were ¥1,078 million, ¥10,624 million, ¥22,341 million, ¥6,682 million, and ¥40,268 million, respectively.

2. Information concerning assets by reportable segment

In the second quarter of the fiscal year ending March 31, 2024, OBL and OAL transitioned from consolidated subsidiaries to equity-method affiliates. As a result, the amounts of assets by reportable segment as of December

31, 2023 decreased by ¥55,975 million in Equipment Leasing and ¥145,686 million in Automobility, respectively, compared to the end of the previous fiscal year.

3. Information concerning impairment loss on non-current assets, goodwill, etc., by reportable segment  
An impairment loss of ¥1,831 million for assets related to the leasing of aircraft was recorded in Specialty Financing.

Significant Subsequent Event

(Stock split and partial amendment to the Articles of Incorporation in line with the stock split)  
Based on the resolution adopted at the Board of Directors meeting held on November 10, 2023, the Company conducted a stock split and made a partial amendment to the Articles of Incorporation in line with the stock split effective January 1, 2024.

1. Stock split

(a) Purpose of the split

The purpose of the stock split is to reduce the price of share-trading units of the Company's shares, thereby providing a better environment for investment and expanding its investor base.

(b) Outline of the split

(i) Method of the split

With December 31, 2023 as a record date, one share of common stock of the Company held by each shareholder as of the said date was split into four shares.

(ii) Number of shares to be increased as a result of the split

Total number of issued shares before the stock split:	123,028,320 shares
Total number of issued shares to be increased due to the stock split:	369,084,960 shares
Total number of issued shares after the stock split:	492,113,280 shares
Total number of authorized shares after the stock split:	1,600,000,000 shares

(iii) Schedule for the split

Date to announce record date:	December 15, 2023
Record date:	December 31, 2023
Effective date:	January 1, 2024

(iv) Effect on per share information

The effect on per share information is reflected in the basic earnings per share and the diluted earnings per share presented in "Consolidated Performance" on the front page.

(v) Other matters

The share split makes no change to the amount of common stock without par value.

2. Partial amendment to the Articles of Incorporation

(a) Reason for amendment

In line with the share split, the Company changed the total number of authorized shares set forth in Article 5 of its Articles of Incorporation with an effective date of January 1, 2024, pursuant to provisions of Article 184, Paragraph 2 of the Companies Act.

(b) Details of amendment

The details of the amendment are as follows.

Current Articles of Incorporation	Proposed Amendment
Article 5 (Total number of authorized shares) The total number of authorized shares of the Company shall be <u>400,000,000 shares</u> .	Article 5 (Total number of authorized shares) The total number of authorized shares of the Company shall be <u>1,600,000,000 shares</u> .

### 3. Supplementary Information

#### (1) Operating Transactions

Balance of Segment Assets (as of December 31, 2023)

(Millions of yen)

Classification		As of March 31, 2023		As of December 31, 2023	
		Amount	Share (%)	Amount	Share (%)
Reportable Segment	Equipment Leasing	1,287,080	24.0	1,210,567	21.3
	Automobility	611,558	11.4	482,335	8.5
	Specialty Financing	2,490,602	46.4	2,913,270	51.2
	International Business	655,683	12.2	780,355	13.7
	Environmental Infrastructure	277,885	5.2	262,387	4.6
	Total for Reportable Segments	5,322,811	99.2	5,648,916	99.3
Other		40,964	0.8	43,571	0.7
Total		5,363,776	100.0	5,692,488	100.0

(Reference)

(Millions of yen)

	Fiscal 2022	Q3 Fiscal 2023
Business guarantees	160,378	187,668