

# **Consolidated Financial Results**

**For the Nine Months of Fiscal Year Ending March 31, 2023**

**February 7, 2023**



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Tokyo Century Corporation

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## 1. Financial Highlights

## Financial Highlights

Ordinary income increased 13.6% to ¥82.6 billion, and net loss attributable to owners of parent was ¥10.2 billion due to extraordinary losses related to Russia YoY

	FY2021 Q3 Result	FY2022 Q3 Result	Change	% Change	FY2022 Forecast Announced on January 10, 2023	
Revenues	936.9	958.5	21.6	2.3%	-	-
Operating income	65.8	69.1	3.2	4.9%	-	-
Ordinary income	72.7	82.6	9.9	13.6%	100.0	82.6%
Net income(loss) attributable to owners of parent	43.5	-10.2	-53.6	-	1.0	-
ROE (Net income / Shareholders' equity)	9.5%	-	-	-		
Average foreign exchange rate (USD1)	¥ 108.58	¥ 128.30	(Foreign exchange rate for January–September for major overseas subsidiaries)			

	Mar. 31, 2022	Dec. 31, 2022	Change	% Change
Total assets	5,663.8	6,201.8	538.0	9.5%
Balance of segment assets	4,879.4	5,509.5	630.1	12.9%
Shareholders' equity	673.0	828.0	154.9	23.0%
Shareholders' equity ratio	11.9%	13.4%	1.5pt	
Foreign exchange rate at quarter end (USD1)	¥ 115.02	¥ 144.81	(Foreign exchange rate for major overseas subsidiaries as of the end of September)	

\* Profitability such as ROE and ROA is calculated on annualized basis

Ordinary income increased by ¥9.9 billion year on year, to ¥82.6 billion.

Net loss attributable to owners of parent was ¥10.2 billion, due to the recording of a loss related to Russia as an extraordinary loss.

The loss related to Russia will be explained later along with the revision of the consolidated results forecast.

The balance of segment assets in the table below increased by ¥630.1 billion from the March 31, 2022, to ¥5,509.5 billion.





Shareholders' equity increased by 23% from March 31, 2022, to ¥828.0 billion, due mainly to the impact of the foreign exchange rate fluctuations resulting from the depreciation of the yen.



## Ordinary Income by Operating Segment & ROA

Ordinary income increased ¥9.9 billion because losses in International Business were offset by other business segments

### Ordinary income

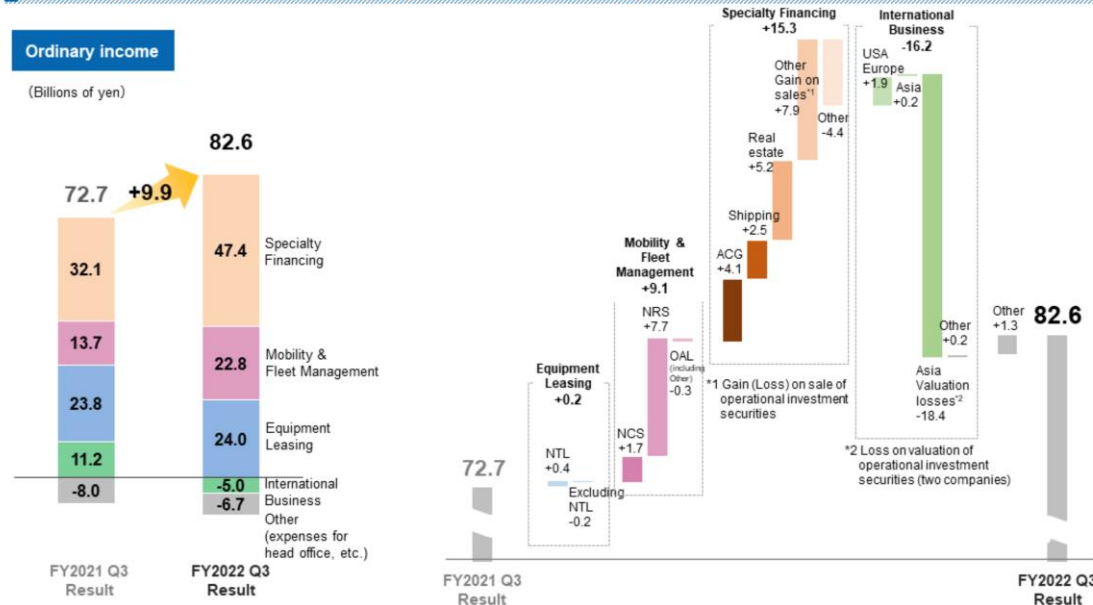
	FY2021 Q3 Result	FY2022 Q3 Result	Change
 Equipment Leasing	23.8	24.0	0.2
 Mobility & Fleet Management	13.7	22.8	9.1
 Specialty Financing	32.1	47.4	15.3
 International Business	11.2	-5.0	-16.2
Other	-8.0	-6.7	1.3
<b>Total</b>	<b>72.7</b>	<b>82.6</b>	<b>9.9</b>

### ROA

	FY2021 Q3 Result	FY2022 Q3 Result	Change
	2.2%	2.4%	0.2pt
	2.9%	5.0%	2.1pt
	1.9%	2.4%	0.5pt
	3.0%	-	-
	2.0%	2.1%	0.1pt

## Breakdown of Ordinary Income YoY

Despite valuation losses of ¥18.4 billion in the Asia business of International Business, earnings from other operating segments remain strong



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Solutions to your Pursuits



Here is a breakdown of ordinary income. Ordinary income increased year on year across all operating segments except for the International Business segment. Please see the bar graph on the right, which shows the breakdown in each segment.

Ordinary income in the Equipment Leasing segment increased by ¥0.2 billion year on year, resulting mainly from the contribution of equity in earnings of affiliates of NTT TC Leasing (NTL).

Ordinary income in the Mobility & Fleet Management segment increased by ¥9.1 billion year on year for the operating segment as a whole.

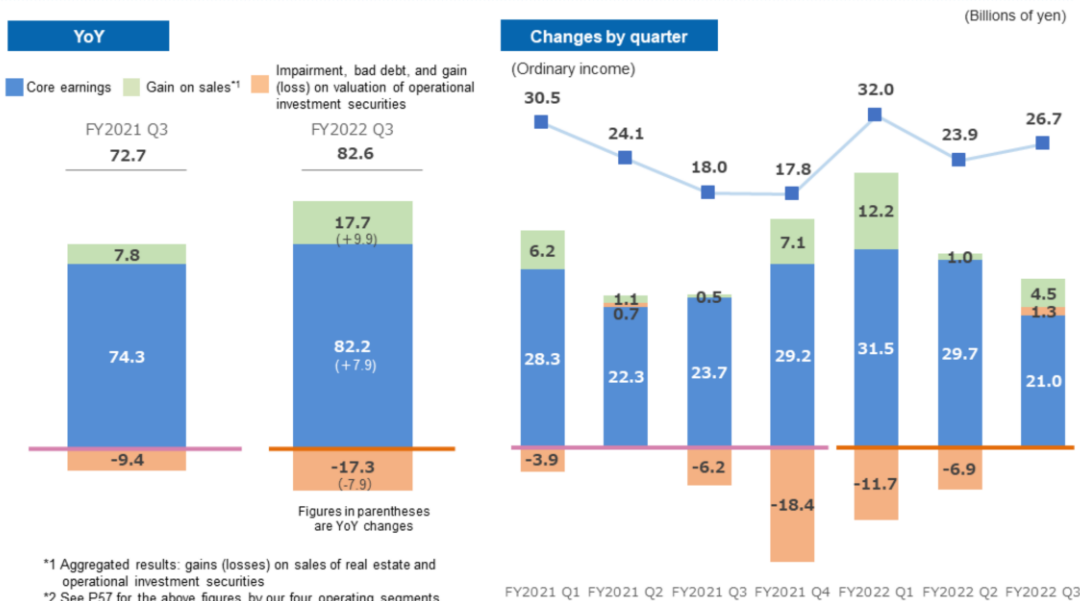
This was attributable mainly to an increase of ¥1.7 billion from Nippon Car Solutions (NCS) due primarily to gain on sale of vehicles, and an increase of ¥7.7 billion from Nippon Rent-A-Car Service (NRS), together with the recovery of the market, reflecting the effect of cost control, which NRS focused on amid the COVID-19 pandemic, and earnings improvement measures. Both NCS and NRS posted record incomes for the nine-month period, which ended December 31, 2022 for the former and September 30, 2022 for the latter.

Ordinary income in the Specialty Financing segment increased by ¥15.3 billion year on year for the operating segment as a whole, due to year-on-year increases in ordinary income from Aviation Capital Group (ACG) and the shipping business, as well as higher gains on sale of operational investment securities.

Ordinary income in the International Business segment decreased by ¥16.2 billion year on year for the operating segment as a whole, owing to the recording of a loss on valuation of operational investment securities in the Asia business amounting to ¥18.4 billion, despite an increase of ¥1.9 billion in the USA and Europe as a result of continued robust performance of CSI Leasing (CSI).

## Breakdown of Ordinary Income (Core earnings, gain on sales, impairment, etc.)

Core earnings amounted to ¥82.2 billion, up ¥7.9 billion YoY



As you can see in the legend at the left top of this slide, this page shows the breakdown of ordinary income into three elements: “Core earnings,” “Gain on sales,” and “Impairment, bad debt, and gain (loss) on valuation of operational investment securities.”

“Gain on sales” includes capital gains on sales of real estate and operational investment securities.

The graph on the left shows year-on-year changes, while the graph on the right shows changes by quarter.

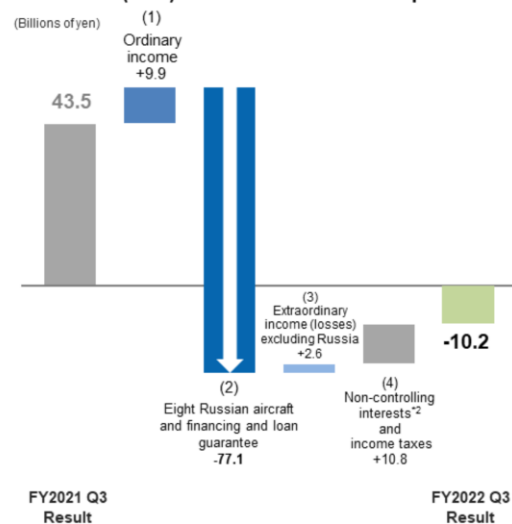
Core earnings increased by ¥7.9 billion year on year to ¥82.2 billion for the first nine months of FY2022, driven by the Mobility & Fleet Management segment.

While gain on sales of ¥17.7 billion was recorded, an increase of ¥9.9 billion year on year, this gain was offset by losses amounting to ¥17.3 billion in impairment, bad debt, and gain (loss) on valuation of operational investment securities, a decrease of ¥7.9 billion year on year, including valuation losses in the Asia business and others as I mentioned earlier.

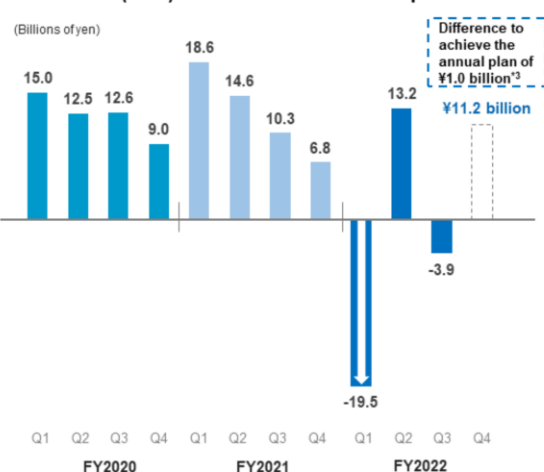
## Breakdown of Changes in Net Income (Loss) Attributable to Owners of Parent

Net loss attributable to owners of parent was ¥10.2 billion due to an extraordinary loss of ¥77.1 billion related to Russia

### Factor for changes in net income (loss) attributable to owners of parent\*\*



### Quarterly changes in net income (loss) attributable to owners of parent



\*1 (1) to (3) are on a pre-tax basis; taxes are included in (4)

\*2 Net income attributable to non-controlling interests

\*3 The difference between the annual plan for net income attributable to owners of parent and Q3 result

## Balance of Segment Assets by Operating Segment

Segment assets increased ¥630.1 billion from the end of the previous fiscal year due to the impact of the exchange rate fluctuations

								(Billions of yen)
	Mar.31, 2019	Mar.31, 2020	Mar.31, 2021	Mar. 31, 2022 (A)	Dec. 31, 2021	Dec. 31, 2022 (B)	YoY Change	Change (B-A)
Balance of segment assets	3,630.9	4,773.0	4,800.5	4,879.4	4,871.1	5,509.5	638.4 +593.3*	630.1 +532.0*
Equipment Leasing	1,372.8	1,471.1	1,489.1	1,379.7	1,380.7	1,312.8	-67.9	-66.9
Percentage	37.8%	30.8%	31.0%	28.3%	28.3%	23.8%	+0.1*	+0.1*
Mobility & Fleet Management	592.7	631.2	629.5	611.8	623.8	615.5	-8.3	3.7
Percentage	16.3%	13.2%	13.1%	12.5%	12.8%	11.2%		
Specialty Financing	1,142.4	2,147.9	2,184.7	2,311.8	2,331.9	2,871.1	539.3	559.3
Percentage	31.5%	45.0%	45.5%	47.4%	47.9%	52.1%	+456.7*	+411.9*
International Business	512.9	510.6	483.1	557.1	516.8	669.6	152.9	112.6
Percentage	14.1%	10.7%	10.1%	11.4%	10.6%	12.2%	+136.4*	+120.0*
Other	10.1	12.2	13.9	19.0	18.0	40.4	22.4	21.4
Percentage	0.3%	0.3%	0.3%	0.4%	0.4%	0.7%		

\*Exchange rate factors

The balance of segment assets by operating segment increased by ¥630.1 billion from March 31, 2022, totaling to ¥5,509.5 billion, due to the significant growth in the Specialty Financing segment and the International Business segment, which mainly reflected the yen's depreciation in exchange rate factors.

## FY2022 Consolidated Results Forecast

Revised full-year consolidated results forecast due to an extraordinary loss of exposure to Russia; annual dividends remain unchanged

(Billions of yen)

	No.	FY2021 Result	FY2022 Forecast Announced on May 12, 2022	FY2022 Revised Forecast		
				Announced on January 10, 2023	Change	% Change
Ordinary income	1	90.5	100.0	100.0	-	-
Net income attributable to owners of parent	2	50.3	20.0	1.0	-19.0	-95.0%
EPS	3	¥411.56	¥163.66	¥8.18	¥-155.48	
Annual dividends	4	¥143	¥143	¥143	-	-

◆ TC revised its consolidated results forecast due to an extraordinary loss of the entire amount of **approximately \$220 million** (approx. ¥28.2 billion)\*<sup>1</sup> \*<sup>2</sup> is recorded for Q3) in a financing and loan guarantee to a Russian airline.

◆ **Net income attributable to owners of parent was revised downward to ¥1 billion** (–¥19 billion: compared to the amount forecast announced in May 2022) and ordinary income and **annual dividends remain unchanged**.

◆ **Exposures to Russia are all recorded as losses.**

◆ ACG has insurance coverage over the above-mentioned exposure approximately \$600 million and has commenced legal proceedings to seek payment of the insurance claims. (The insurance claims filed are not included in the full-year consolidated results forecast.)

\*1 Average exchange rate for the period January to September 2022 is ¥128.30.

\*2 Full-year consolidated results forecast for the fiscal year ending March 31, 2023 are expected to be approximately ¥29 billion, converted at the average exchange rate of ¥131.63 per dollar for the period from January to December 2022.

This slide shows the revision to TC's full-year consolidated results forecast announced on January 10, 2023.

Of ACG's losses related to Russia, the entire amount of approximately \$220 million in a financing and loan guarantee that was not accounted for in TC's first three months of FY2022 was recorded as an extraordinary loss in the first nine months.

As a result, net income attributable to owners of parent was revised downward to ¥1.0 billion, a decrease of ¥19.0 billion from ¥20.0 billion announced at the beginning of FY2022.

We hereby have written off all losses related to Russia.

On the other hand, ACG has commenced legal proceedings against insurance companies to seek payment of the insurance claims. However, we have not included the amount of insurance claims made in TC's full-year consolidated results forecast because it is difficult to see when it will be collected.



## 2. Results by Operating Segment



## Results of Equipment Leasing

(Billions of yen)

	FY2021 Q3 Result	FY2022 Q3 Result	Change	% Change
Revenues	385.8	361.2	-24.5	-6%
Gross profit	28.5	27.7	-0.7	-2%
Operating income	19.6	18.7	-0.9	-5%
<b>Ordinary income</b>	<b>23.8</b>	<b>24.0</b>	<b>0.2</b>	<b>1%</b>
ROA (%)	2.2%	2.4%	0.2pt	

	Dec. 31, 2021	Dec. 31, 2022	Change	% Change
Segment assets	1,380.7	1,312.8	-67.9	-5%

### Major factors for change

#### Ordinary income

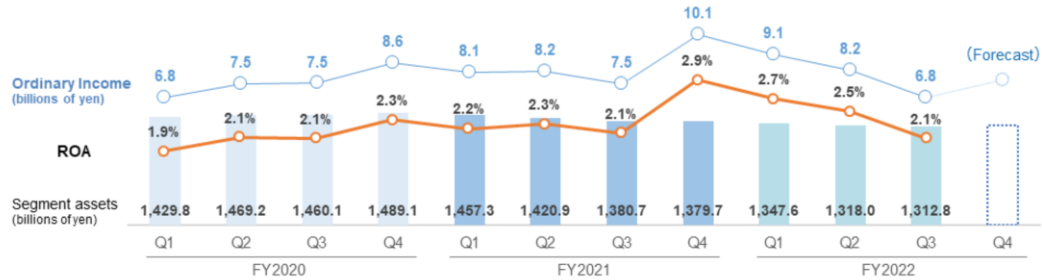
- Increased, mainly due to an increase in equity in earnings of affiliates NTT TC Leasing and NITTSU Lease & Finance\*

\* For performance and other details of NTL, see P21

\* NITTSU Lease & Finance recognized an increase in equity in earnings of affiliates from Q2 FY2021

#### Balance of segment assets

- Despite the decrease, mainly due to promoting portfolio management focused on asset efficiency, in addition to the decline in leasing volume of the industry as a whole, expecting bottoming out from the current pipeline expansion due to recovery in corporate capital investment



\* ROA is calculated on an annualized basis based on ordinary income for each quarter





## Results of Mobility & Fleet Management

(Billions of yen)

	FY2021 Q3 Result	FY2022 Q3 Result	Change	% Change
Revenues	256.0	266.0	10.0	4%
Gross profit	50.5	61.4	10.9	22%
Operating income	12.9	22.6	9.6	75%
<b>Ordinary income</b>	<b>13.7</b>	<b>22.8</b>	<b>9.1</b>	<b>67%</b>
NCS	12.4	14.1	1.7	14%
NRS	-0.7	7.0	7.7	-
OAL	1.9	1.8	-0.1	-6%
Other	0.0	-0.1	-0.2	-
ROA (%)	2.9%	5.0%	2.1pt	-
NCS	4.5%	5.3%	0.8pt	-
NRS	-	20.8%	-	-
OAL	1.2%	1.1%	-0.1pt	-
	Dec. 31, 2021	Dec. 31, 2022	Change	% Change
Segment assets	623.8	615.5	-8.3	-1%

### Major factors for change

#### Ordinary income

##### ■ NCS

Recorded an all-time high for Q3, mainly due to maximizing gain on sale of vehicles resulted from seizing a favorable market opportunity, a surge in the prices of used cars, and flexibly selling them in a timely manner

##### ■ NRS

Reached a record high for Q3, due to significantly improving profitability by the promotion of direct sales measures to improve unit sales prices, the optimization of gain on sale of used vehicles, and the cost control which has been exercised during the COVID-19 pandemic

\* For performance and other details of NRS, see P22



## Balance of Segment Assets and Transaction Volume in Mobility & Fleet Management

Segment assets increased ¥3.7 billion from the end of the previous fiscal year

	Mar.31, 2019	Mar.31, 2020	Mar.31, 2021	Mar. 31, 2022 (A)	Dec. 31, 2021	Dec. 31, 2022 (B)	YoY Change	(Billions of yen) Change (B-A)
Balance of segment assets	592.7	631.2	629.5	611.8	623.8	615.5	-8.3	3.7
NCS	368.2	378.5	371.2	359.3	359.8	345.7	-14.2	-13.6
Percentage	62.1%	59.9%	58.9%	58.7%	57.7%	56.2%		
NRS	47.3	52.8	45.7	40.3	43.0	49.3	6.4	9.0
Percentage	8.0%	8.4%	7.3%	6.6%	6.9%	8.0%		
OAL	189.7	210.7	214.0	211.7	220.2	218.4	-1.8	6.7
Percentage	32.0%	33.4%	34.0%	34.6%	35.3%	35.5%		
Other <sup>*1</sup>	-12.6	-10.7	-1.4	0.5	0.8	2.1	1.4	1.6
Percentage	-2.1%	-1.7%	-0.2%	0.1%	0.1%	0.3%		

\*1 Adjusted intercompany transactions among Mobility & Fleet Management

	FY2018 Result	FY2019 Result	FY2020 Result	FY2021 Result	FY2021 Q3 Result	FY2022 Q3 Result	YoY Change	% Change
Transaction volume *2	227.7	224.6	193.4	177.9	131.5	128.1	-3.4	-2.6%
NCS	146.3	141.7	120.5	109.4	81.1	74.3	-6.8	-8.4%
OAL	81.3	82.9	72.9	68.5	50.4	53.7	3.4	6.7%

\*2 NRS's transaction volume (purchase amount of fleet) is not included since its car rental business is focused on assets turnover



## Results of Specialty Financing

(Billions of yen)				
	FY2021 Q3 Result	FY2022 Q3 Result	Change	% Change
Revenues	216.9	227.5	10.6	5%
Gross profit	42.9	64.3	21.4	50%
Operating income	30.3	44.2	13.9	46%
<b>Ordinary income</b>	<b>32.1</b>	<b>47.4</b>	<b>15.3</b>	<b>48%</b>
Aviation	6.6	9.7	3.1	47%
ACG	1.7	5.8	4.1	235%
Others	4.8	3.8	-1.0	-21%
Shipping	4.5	7.0	2.5	56%
Real Estate	10.0	15.2	5.2	53%
Others	11.1	15.6	4.5	41%
Gain on Sales *1	2.6	10.5	7.9	307%
Others	8.5	5.1	-3.4	-39%
ROA (%)	1.9%	2.4%	0.5pt	
Aviation	0.6%	0.8%	0.2pt	
ACG	0.2%	0.5%	0.3pt	
Others	2.6%	2.3%	-0.3pt	
Shipping	5.4%	9.1%	3.7pt	
Real Estate	2.8%	3.9%	1.1pt	

	Dec. 31, 2021	Dec. 31, 2022	Change	% Change
Segment assets	2,331.9	2,871.1	539.3	23%

\*1 Gain (Loss) on sale of operational investment securities

### Major factors for change

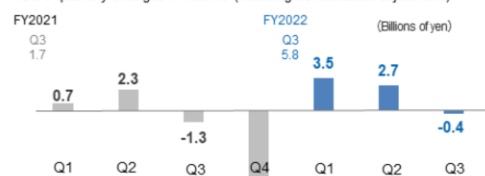
#### Ordinary income

##### ACG

Increased, mainly due to a decrease in impairment usually recorded (Russia-related loss was recorded as an extraordinary loss.), although the aviation market is still in the recovery and yet to return to the original level of earnings of ACG\*2

\*2 For performance and other details of ACG, see P25

ACG's quarterly changes in income (including consolidated adjustment)



Amount of impairment loss

##### Real Estate

Increased, mainly due to gain on sale of real estates

##### Shipping

Increased, mainly due to gain on sale of vessels from an equity-method affiliate

##### Other

Increased, mainly due to a higher gain on sale of operational investment securities



## Balance of Segment Assets in Specialty Financing

Segment assets increased ¥559.3 billion from the end of the previous fiscal year due to the impact of the exchange rate fluctuations

	Mar.31, 2019	Mar.31, 2020	Mar.31, 2021	Mar. 31, 2022 (A)	Dec. 31, 2021	Dec. 31, 2022 (B)	YoY Change	Change (B-A)
<b>Balance of segment assets</b>	<b>1,142.4</b>	<b>2,147.9</b>	<b>2,184.7</b>	<b>2,311.8</b>	<b>2,331.9</b>	<b>2,871.1</b>	<b>539.3</b> +456.7 <sup>*2</sup>	<b>559.3</b> +411.9 <sup>*2</sup>
Aviation	369.2	1,380.8	1,363.1	1,480.8	1,490.0	1,871.1	381.1 +421.1 <sup>*2</sup>	390.3 +381.3 <sup>*2</sup>
Percentage	32.3%	64.3%	62.4%	64.1%	64.0%	65.2%	+421.1 <sup>*2</sup>	+381.3 <sup>*2</sup>
Shipping	137.0	124.3	116.4	100.0	103.5	103.5	-0.1 +1.3 <sup>*2</sup>	3.5 +0.7 <sup>*2</sup>
Percentage	12.0%	5.8%	5.3%	4.3%	4.4%	3.6%	+1.3 <sup>*2</sup>	+0.7 <sup>*2</sup>
Environment and Energy	137.1	139.2	150.3	159.4	161.2	251.9	90.7 +1.9 <sup>*2</sup>	92.5 +1.7 <sup>*2</sup>
Percentage	12.0%	6.5%	6.9%	6.9%	6.9%	8.8%	+1.9 <sup>*2</sup>	+1.7 <sup>*2</sup>
Real estate	416.8	429.9	462.3	484.7	489.9	555.5	65.5 +32.0 <sup>*2</sup>	70.7 +27.7 <sup>*2</sup>
Percentage	36.5%	20.0%	21.2%	21.0%	21.0%	19.3%	+32.0 <sup>*2</sup>	+27.7 <sup>*2</sup>
Other *1	82.1	73.7	92.6	87.0	87.2	89.3	2.1 +0.5 <sup>*2</sup>	2.3 +0.5 <sup>*2</sup>
Percentage	7.2%	3.4%	4.2%	3.8%	3.7%	3.1%	+0.5 <sup>*2</sup>	+0.5 <sup>*2</sup>

\*1 Other includes the principal investment amounts, factoring and others

\*2 Exchange rate factors



## Results of International Business

(Billions of yen)

	FY2021 Q3 Result	FY2022 Q3 Result	Change	% Change
Revenues	78.9	104.3	25.4	32%
Gross profit	29.3	18.6	-10.7	-36%
Operating income	11.2	-4.6	-15.9	-
<b>Ordinary income</b>	<b>11.2</b>	<b>-5.0</b>	<b>-16.2</b>	<b>-</b>
Asia	4.3	-14.0	-18.3	-
USA and Europe	7.4	9.3	1.9	26%
CSI *	6.4	8.4	2.0	31%
Other	0.9	0.9	-0.1	-6%
Other	-0.4	-0.3	0.2	-
ROA (%)	3.0%	-	-	-
Asia	2.6%	-	-	-
USA and Europe	3.5%	3.2%	-0.3pt	-
CSI	3.8%	3.9%	0.1pt	-
Other	2.1%	1.2%	-0.9pt	-
	Dec. 31, 2021	Dec. 31, 2022	Change	% Change
Segment assets	516.8	669.6	152.9	30%

### Major factors for change

#### Ordinary income

##### ■ Asia

Decreased, mainly due to a loss on valuation of operational investment securities of ¥18.4 billion (two companies)

##### ■ USA and Europe

Increased, mainly due to the fact that gain on sale of properties related to fair market value (FMV) leasing of CSI\* remained strong

\* For performance and other details of CSI, see P31



## Balance of Segment Assets in International Business

Segment assets increased ¥112.6 billion from the end of the previous fiscal year due to the impact of the exchange rate fluctuations

		Mar.31, 2019	Mar.31, 2020	Mar.31, 2021	Mar. 31, 2022 (A)	Dec. 31, 2021	Dec. 31, 2022 (B)	YoY Change	Change (B-A)
		(Billions of yen)							
East Asia		59.7	32.4	18.7	15.1	15.7	12.3	-3.4	-2.8
	percentage	11.7%	6.4%	3.9%	2.7%	3.0%	1.8%	+1.4*	+1.1*
ASEAN		203.3	199.3	196.9	212.2	199.5	215.4	15.9	3.2
	percentage	39.6%	39.0%	40.7%	38.1%	38.6%	32.2%	+35.3*	+28.3*
Total of Asia		263.1	231.7	215.5	227.3	215.2	227.7	12.5	0.4
	percentage	51.3%	45.4%	44.6%	40.8%	41.6%	34.0%	+36.7*	+29.4*
USA and Europe		249.9	278.9	267.6	329.8	301.6	441.9	140.3	112.1
	percentage	48.7%	54.6%	55.4%	59.2%	58.4%	66.0%	+99.7*	+90.6*
Total in International Business		512.9	510.6	483.1	557.1	516.8	669.6	152.9	112.6
								+136.4*	+120.0*
excl. CSI non-recourse loan		371.7	353.9	335.9	389.4	359.2	453.7	94.5	64.3

\*Exchange rate factors

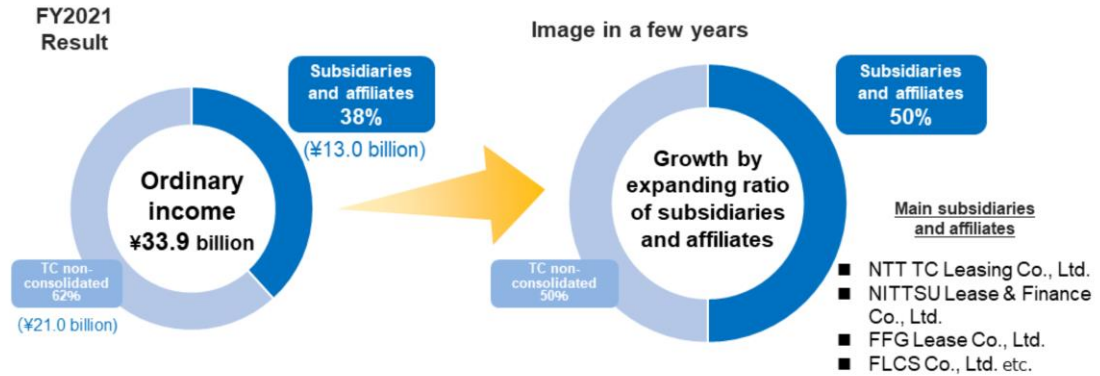


### 3. Business Topics



## Growth Strategies of Equipment Leasing

Aiming to increase the profitability of subsidiaries and affiliates by accelerating collaboration with partner companies



TC non-consolidated

Seeking to grow earnings by **increasing high-value-added projects that involve offering services and solutions**

Subsidiaries and affiliates

Increasing the ratio of earnings from subsidiaries and affiliates in ordinary income to **50%** by **accelerating collaboration and strengthening consolidated management with partner companies**





## Performance of NTT TC Leasing

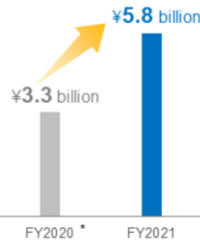


### Expanding business co-creation with NTT TC Leasing Co., Ltd. (NTL)

#### Financial Results (Nine Month Ended December 31, 2022)

<TC's equity in earnings of affiliates>

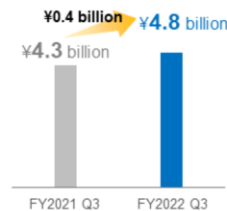
##### FY result



\* NTL started its operation in July 2020

##### Quarterly changes

Strong earnings growth in line with the expansion of segment assets



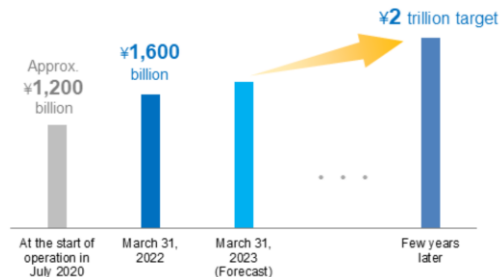
#### Strong Financial Base of NTT TCLeasing

Acquisition of high ratings reflecting the creditworthiness and business alliance of the NTT Group and the TC Group

Credit Rating

JCR : AAA (Long-term issuer rating) Acquisition in October 2022  
R&I : AA+ (Issuer rating) Acquisition in December 2020

#### Segment Assets



#### Promotion of co-creation for expanding segment assets



#### Leasing, Global, Environment and Energy, Real Estate

In addition to low-cost fund procurement, NTL focuses on expanding its assets through business alliance



Equity in earnings of affiliates (TC) for the nine months of FY2022 increased by ¥0.4 billion year on year, to ¥4.8 billion.

Core earnings of NTL have been steadily improving, driven by an increase in segment assets as a result of a rise in transactions with the NTT Group and the collaboration with TC.

As indicated at the bottom left of this slide, NTL has acquired high credit ratings driven by NTT's creditworthiness, securing the AAA rating from JCR and the AA+ rating from R&I. By leveraging its low-cost fund procurement and abundant financial resources, NTL has established a strong financial base.

NTL will continue to strengthen its alliance with TC and the NTT Group, thus aiming to expand its collaboration fields in the future.

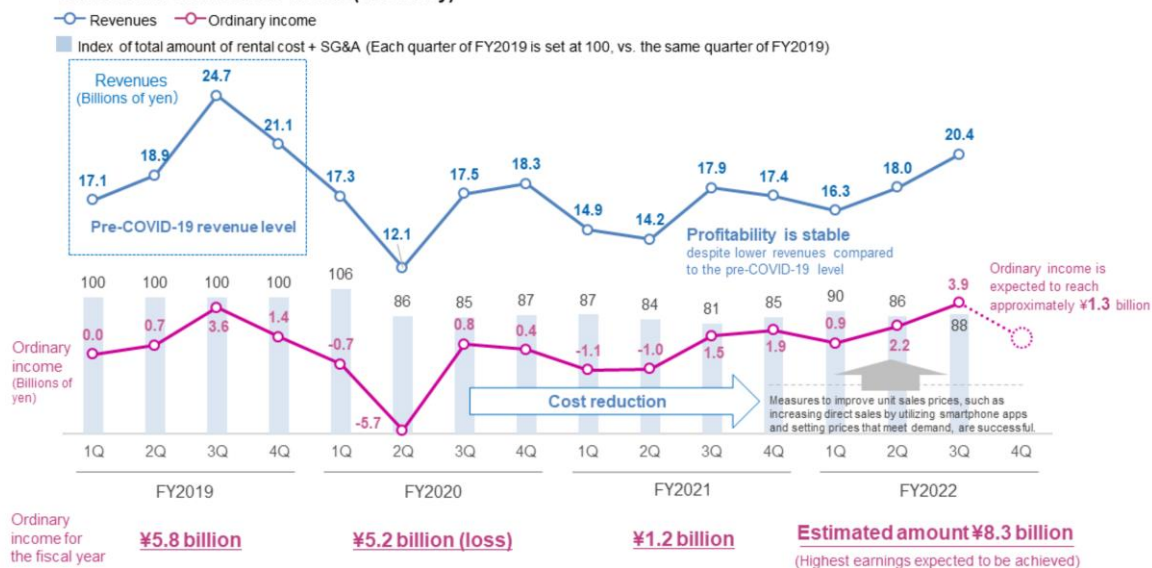


## Improved Profitability of Car Rental Business



Achieved the highest earnings due to the promotion of measures to improve unit sales prices and the success of strict cost control

### ■ Car Rental Performance Trends (Quarterly)



For the two line graphs, the blue line shows changes in the quarterly revenues of NRS since FY2019, and the red line shows quarterly ordinary income.

On the other hand, the bar graph shows changes in the index for each quarter compared to FY2019, with the total of rental costs and SG&A expenses in FY2019 set at 100.

Although Revenues in FY2022 were around 90% of the pre-COVID-19 level in 2019, we increased profitability through cost control and various measures to improve sales such as strengthening direct sales through smartphone applications and flexible pricing to meet demand.

As a result, ordinary income for the first nine months of FY2022 was ¥7.0 billion, surpassing the previous record of ¥5.8 billion for the year set in FY2019.

Ordinary income for the three months of the fourth quarter is also expected to be about ¥1.3 billion, and is projected to be ¥8.3 billion for FY2022.

From January 2023, NRS raised the basic rate for rental cars, although it fluctuates depending on the model and plan. Even after the price revision, the booking rate has remained steady. We expect its further revenue growth.



## Value Chain Enhancement for Spread of EVs



Strengthen various initiatives, from the introduction of EVs to the reuse of batteries, in order to promote the spread of EVs

### 1 Expansion of leased and rental vehicles

- Support for EV100, which aims to convert 100% of the NTT Group's vehicles to EVs
- Started **electric buses and taxis** FY2022

### 2 Increase of additional services during the contract period

- Invested in **PLUGO**, which provides EV charging services

FY2022

PLUGO



- Concluded a business alliance with **Yanekara**, which develops and provides charge-discharge management systems

FY2022

Yanekara



### 3 Reuse of EV batteries

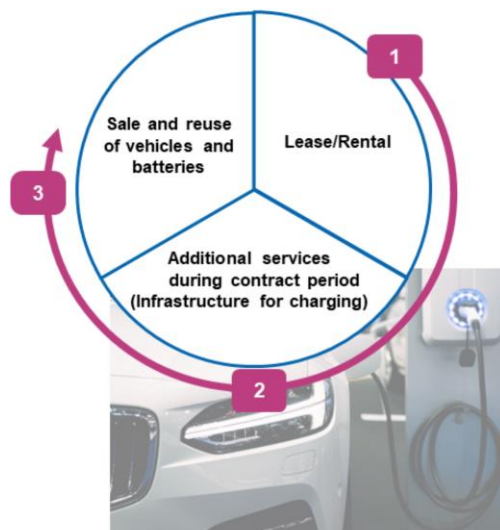


**Business alliance for storage battery business reusing EV batteries** FY2022

- Invested in MIRAI-LABO, which possesses EV battery evaluation and reuse technologies



### ✓ Value chain of EV business



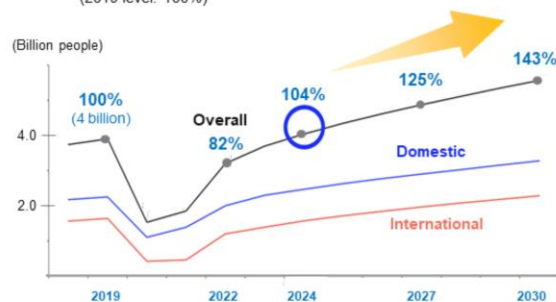
## Aviation Business 1 Aviation Market Overview



Accelerating the easing of travel restrictions in many countries is expected to restore passenger demand to the pre-COVID-19 level by 2024

### Global Air Passenger Volume Forecast

Projected changes in passenger volume through 2030  
(2019 level: 100%)



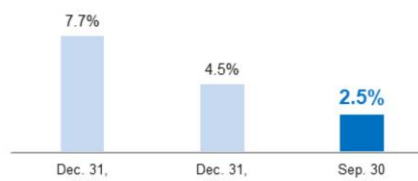
Source: International Air Transport Association (IATA)  
(announced in June 2022)

IATA expects global passenger travel to return to the 2019 level of activity in **2024**, according to its market outlook announced in June 2022.

### Aircraft leasing subsidiary ACG's ratio of off-lease aircraft

#### Off-lease aircraft significantly decreased

<Ratio of off-lease aircraft\* to net book value of owned aircraft>



\* Aircraft yet to be leased or sold

First, this slide explains an overview of the aviation market. The graph on the left shows the global air passenger volume forecast announced by International Air Transport Association (IATA) in June 2022.

The percentages are relative to the 2019 level, prior to the outbreak of COVID-19, and that level is set at 100.

As you can see in the graph, we assume that there will no significant changes in the forecast. The market will recover to the level prior to the outbreak of COVID-19 in 2024 and remain on a growth trend.

The performance of ACG is expected to follow this market recovery trend, continuing to recover modestly.

Then, look at the right side of the page.

I'll explain the numbers that show the recovery trend of ACG.

The bar graph shows the change in the ratio of off-lease aircraft to net book value of aircraft owned by ACG.

While the number of off-lease aircraft rapidly increased following the outbreak of COVID-19 since aircraft were returned from lessees, the market gradually recovered.

The ratio of off-lease aircraft was 2.5% and the number of off-lease aircraft had dropped significantly to six as of the end of September 2022.

## Aviation Business 2 ACG's Financial Performance



Income before income taxes sharply declined YoY primarily due to the write-off of aircraft previously leased to Russian airlines

### Financial Results (Nine Months Ended September 30, 2022)

#### ACG's Result

	FY2021 Q3 Result	FY2022 Q3 Result	Change	%Change
Total revenues	738	710	-28	-4%
Operating lease revenue	630	631	1	0%
Total expenses	627	1,153	526	84%
Asset impairment	28	508	480	-
Write-off of Russia aircraft	-	389	389	-
Bad debt expense	-	6	6	-
Income/Loss before income taxes	111	-443	-554	-
Net Income/Loss	116	-443	-559	-
ROA (%)	1.4%	-	-	-

	Sep. 30, 2021	Sep. 30, 2022	Change	%Change
Segment assets	10,902	11,127	225	2%
Numbers of new / used aircraft delivered	20	14	-6	-30%

#### ACG's results

(recorded on TC's consolidated statements of income)

	FY2021 Q3 Result	FY2022 Q3 Result	Change	%Change
Income/Loss before income taxes	121	-569	-689	-
Consolidated adjustment <sup>*1</sup>	-103	627	731	-
Ordinary income	17	58	41	235%
Extraordinary Loss <sup>*2</sup>	-	771	771	-

Average foreign exchange rate: ¥108.58 ¥128.30

#### Revenues

Decreased due to the termination of leasing activities in Russia and a lower gain on sale of aircraft

<Uncollected lease payments<sup>\*3</sup> for FY2022 from airlines using the cash basis of accounting>

FY2022 3Q Results: \$5.4 million  
(FY2021 3Q Results: \$83.7 million)

#### Income/Loss before income taxes

Significantly decreased due to the write-off of eight aircraft previously leased to Russian airlines

Accounting treatment for bad debt expense of a financing and loan guarantee to a Russian airline announced in January 2023 is recorded in ACG's financial statements for the fiscal year ended December 31, 2022, due to the difference in accounting periods between TC and ACG

#### Segment assets

Increased YoY due to steady progress in the number of new aircraft deliveries as passenger demand recovered

<sup>\*1</sup> Including transfer of extraordinary loss

<sup>\*2</sup> Including accounting treatment for bad debt expense of a financing and loan guarantee to a Russian airline

<sup>\*3</sup> Billing minus collection

The table on the left shows ACG's financial results for the nine months ended September 30, 2022, which were announced in November 2022.

Revenues decreased by \$28 million year on year due mainly to a lower gain on sale of aircraft. ACG secured an increase in lease revenue amid a decrease in lease revenue from Russian airlines. ACG posted a year-on-year loss before income taxes amounting to \$443 million, mainly due to an asset impairment of \$508 million.

Adjustments to reflect these figures in TC's consolidated statements of income are provided below. TC's consolidated ordinary income of ¥5.8 billion shows the figures adding a loss before income taxes of ¥56.9 billion, which is converted from ACG's loss before income taxes of \$443 million, and a consolidated adjustment of ¥62.7 billion.

I'll explain two points that need to be adjusted for the difference in accounting periods between TC and ACG and the presentation of accounting standards. The first point is the accounting period. Of ACG's impairment losses recorded for the three months ended March 31, 2022, impairment losses not related to Russian exposure have been reflected in TC's consolidated financial results for the previous fiscal year. The second is the adjustment due to the difference in presentation, which is a consolidated adjustment to record a Russia-related loss as an extraordinary loss (not included in ordinary income based on JGAAP) in TC's consolidated financial results.

Accounting treatment for bad debt expense of approximately \$220 million in a financing and loan guarantee to a Russian airline announced in January 2023 was recorded as an extraordinary loss in TC's consolidated financial results for the nine months ended December 31, 2022.

ACG, on the other hand, is scheduled to record such expense in the upcoming financial results for the fiscal year ended December 31, 2022 to be announced.

As for the forecast of financial results for the fiscal year, ACG's earnings are expected to post a year-on-year increase on a TC's consolidated ordinary income base.



## Aviation Business 3 ACG's Portfolio



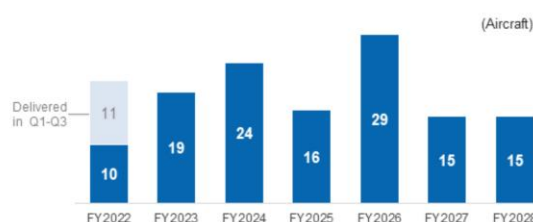
Diversified portfolio with a focus on liquid narrow-body aircraft in approximately 45 countries worldwide

### Portfolio Overview (as of September 30, 2022)

- **Weighted average fleet age: 5.9 years**
- **Narrowbody by NBV: 89 %**  
(Narrowbody by count: 96%)
- **Owned, managed and committed aircraft: 476**  
(Owned: 284 Managed: 64 Committed aircraft: 128)

### Delivery Schedule of Committed Aircraft (as of September 30, 2022)

- All orders are **next-generation aircraft with higher fuel efficiency**
- Receiving many inquiries from airlines in view of rising fuel costs and decarbonization  
(Percentage of next-generation aircraft owned: 35%)

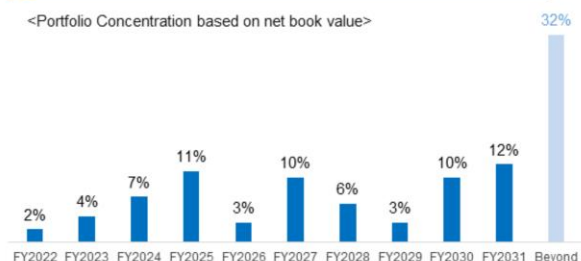


### Geographic Concentration (as of September 30, 2022)



### Portfolio Concentration by Lease Maturity (as of September 30, 2022)

<Portfolio Concentration based on net book value>



# Aviation Business 4 ACG's Capital Procurement Activities



## Promoting diversification of funding sources while flexibly responding to market conditions

### Fund Procurement Strategies

- ACG builds flexibility into its funding strategy through multiple capital sources depending on market conditions. In addition to the issuance of predominantly fixed rate unsecured notes in the US bond market, it leverages Tokyo Century's and its own relationships to borrow on a floating rate basis from financial institutions globally. This balanced funding strategy helps to reduce the cost of its long-term debt capital.
- ACG succeeded in expanding access to new debt financings, including term loans arranged by Japanese financial institutions and increased the capacity of revolving credit facility with the participation of multiple financial institutions, including major U.S. banks.
- ACG has sufficient liquidity on hand and maintains investment-grade ratings of **A- from KBRA, BBB- from S&P and Baa2 from Moody's**.

<Funding structure\*>

**\$7.9 billion**

**\$2.3 billion**

Financial Institutions, etc.

**\$0.6 billion**

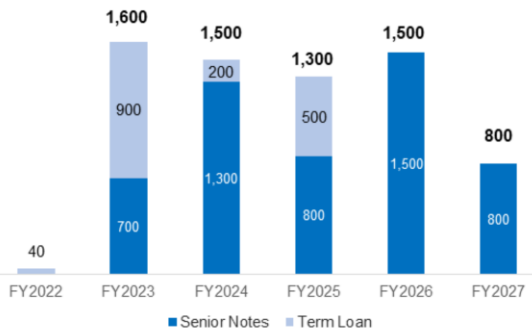
Commercial Paper

**\$5.0 billion**

Unsecured Senior notes

<Unsecured debt maturities\*> (excluding commercial paper, etc.)

(USD million)



Major procurement from financial institutions executed in FY2022

- **Term Loan (\$425 million)**  
Borrowing period: Three years
- **Revolving Credit Facility (\$525 million)**  
Increased the aggregate borrowing capacity from \$2.1 billion to over \$2.6 billion
- **Term Loan (\$600 million in total)**  
Procured from JBIC and other financial institution with support from TC  
Borrowing period: Five to seven years

\* As of September 30, 2022





## Real Estate Business Portfolio Strategy



Promoting growth through overseas projects and collaboration with TC Kobelco Real Estate, in addition to steady progress in development projects

### Portfolio

#### Japan

Collaboration with **prime partners** for the large-scale urban development projects

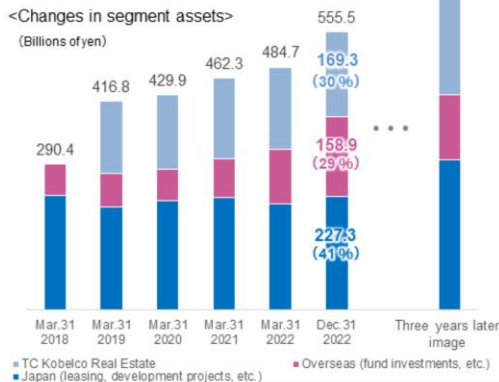
#### TC Kobelco Real Estate

Increased segment assets are expected by steadily piling up pipelines such as a **logistics facility**

#### Overseas

Striving to establish and expand investment and payback cycles, particularly in **data centers**, that are expected to increase demand and **logistics facilities** and **rental housing** that are ongoing stable growth

<Changes in segment assets>  
(Billions of yen)



### Project completion schedule

#### Urban redevelopment projects



**Tokiwabashi (around Tokyo station)**  
TOKYO TORCH (Building B)  
Scheduled for completion in FY2027



**Tokiwabashi (around Tokyo station)**  
Legendary-luxury brand  
Dorchester Collection to  
open its hotel



**Uchisaiwaicho 1-chome area**  
South block (South Tower)  
Scheduled for completion in FY2028

2024-2025 2027-2028



**Large-scale logistics facility**  
(TC Kobelco Real Estate)

Scheduled to open in 2024



**Data centers in US**

Scheduled to open from 2025 onward

First project of renewable energy business collaboration between TC and TC Kobelco Real Estate

Segment assets have been steadily expanding based on the three strategies including investment in Japan, overseas, and TC Kobelco Real Estate.

In Japan, as you can see on the top right, we have been making a series of investments in large-scale redevelopment projects, including TOKYO TORCH.

TC Kobelco Real Estate aims to achieve steady growth through investment in logistics facilities among others.

In the U.S., although we have been affected by the recent rise in interest rates, we will continue to promote a virtuous cycle of investment and payback cycles with a focus on data centers.



# Renewable Energy Businesses



Expanding new renewable energy businesses by all the companies  
in addition to reinforcing the solar power generation businesses

## Expanding new renewable energy businesses

Aiming to achieve output **1,000MW** as early as possible

### <Changes in all companies' generation output\*>

(Unit: MW)



Expanded power generation output by developing  
**solar power plants in 87 locations** in Japan (as  
of December 31, 2022) through collaboration with  
Kyocera

Kyocera TCL Solar LLC



\* Output is subject to the power generation business, except for lease and finance of solar power modules  
Output value is proportionate to contribution rates (Subsidiary: Counted 100%)

## Medium-to long-term Investment fields

### Solar power generation

<Major partner> **NTT AnodeEnergy**

Planned to invest a total of approximately **¥100 billion** in solar  
power generation businesses through a **renewable energy  
investment fund** jointly established with NTT Anode Energy  
Corporation and another company.

### Biomass power generation

<Major partners>



Promote biomass power generation **together with prime  
partners** such as JFE Engineering Corporation, ITOCHU  
Corporation, and Forest Energy Inc. that formed a capital and  
business alliance with TC.

In addition, aiming to expand into North America, Europe, and  
Australia by utilizing knowledge of domestic projects and the  
storage battery business, which has strong affinity for EVs

### Storage battery

### Overseas business

## Improve solar power generation efficiency by promoting asset and technical management

Jointly established **A&Tm**, a management company with the aim of  
**maximization of power generation and stable long-term use  
of power generation facilities**, with Tokyo Gas Engineering  
Solutions Corporation and KYOCERA Communication Systems Co., Ltd.



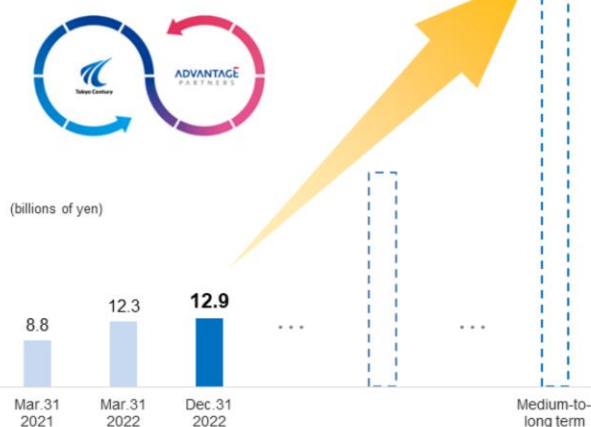
Renewable energy generation output, mainly from the solar power generation businesses, across the TC Group was 741 MW as of December 31, 2022 and is steadily increasing. To achieve power generation output of 1,000 MW, we will work to expand our business with major partners, including Kyocera and NTT Anode Energy for solar power generation, and ITOCHU and JFE Engineering for biomass power generation. We will also explore new investment areas, such as storage battery and overseas businesses.

## Promoting joint investment deals with the Advantage Partners Group (AP Group)

<Changes in segment assets through business collaboration with AP Group\*>

\* Excluding the amount of investment in AP

Pursuit of further expanding investments  
over the medium to long term by building  
up stable investment track records



### Investment Policy

- Investment period: **approx. 5 years**
- Investment amount (per project):  
**approx. ¥5 billion to ¥10 billion**

- The principal investment business's **ROA is 10% or more** (FY2021 result)
- Several pipelines are in progress, including deals in due diligence
- LP investment in AP Group managed funds also continued

### Focus Area

- Business carve-outs of large companies
- Renewable energy
- Business succession



Since we concluded an alliance with the Advantage Partners Group (AP Group) in September 2020, our collaboration has been steadily expanding, including the execution of joint investment deals with a focus on corporate carve-outs of large companies.

At present, several pipelines are currently in progress, and we aim to aggressively expand our investment balance by positioning the collaborative investment as a growth field over the medium to long term.

For the two companies, in which we are currently investing, we are proceeding with their post-merger integration (PMI) in collaboration with AP, which is progressing well.

Despite recent changes in the macro environment, such as rising interest rates, we believe there are significant business investment opportunities as we see continued strong needs for carve-outs of large companies and other projects.



## CSI's Performance



Ordinary income increased 10% YoY, remaining strong

### Financial Results (Nine Months Ended September 30, 2022)

(USD million)				
	FY2021 Q3 Result	FY2022 Q3 Result	YoY Change	% YoY Change
Revenues	505	555	51	10%
Gross profit	225	258	33	15%
<b>Ordinary income</b>	<b>64</b>	<b>71</b>	<b>7</b>	<b>10%</b>
<b>Net income</b>	<b>46</b>	<b>48</b>	<b>3</b>	<b>6%</b>
ROA (%)	4.3%	4.4%	0.1pt	
RORA (%) *	15.0%	14.4%	-0.6pt	
Transaction volume	988	1,080	93	9%
	Sep. 30, 2021	Sep. 30, 2022	YoY Change	%YoY Change
Segment assets	2,005	2,179	174	9%

\* ROA after deducting non-recourse loan

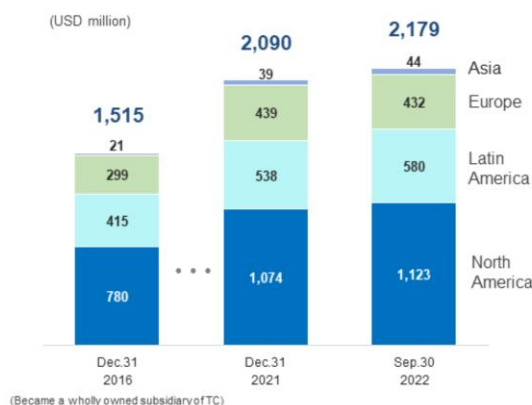
### Major Factors for Change

- Gain on sale of properties and re-leasing revenues contributed to higher earnings due to ongoing strong demand for existing IT equipment use against the backdrop of longer delivery times for new equipment.
- Transaction volume showed steady growth, especially in Europe, where CSI's network is expanding.

### Balance of Segment Assets by Region

Since becoming a wholly owned subsidiary of TC in 2016, CSI has expanded its global bases and

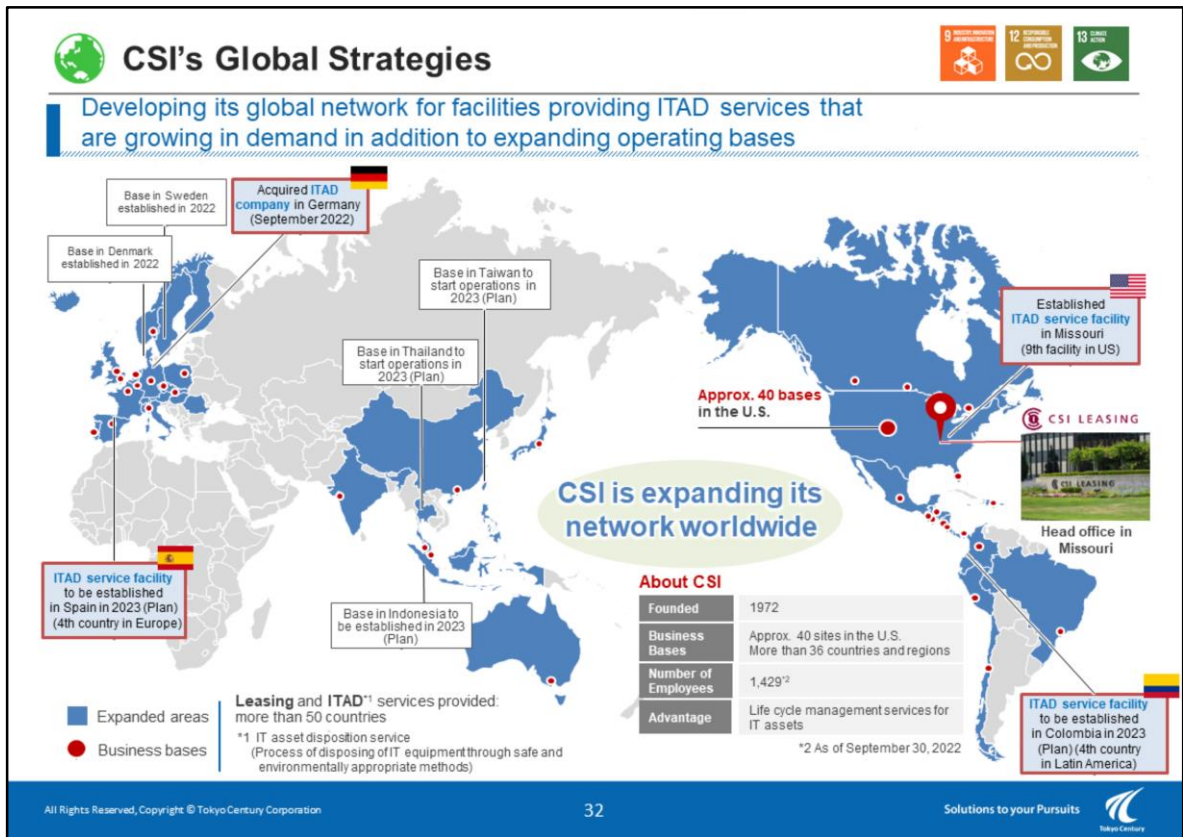
**increased balance of segment assets**



CSI's ordinary income for nine months ended September 30, 2022 increased by \$7 million year over year to \$71 million, showing robust performance.

Despite a rise in the cost of funds and increased anticipatory expenses due to the expansion of operating bases, earnings are growing steadily by properly capturing corporate demand for investment in IT equipment.

In addition, CSI's transaction volume is increasing, especially in Europe, where CSI has aggressively expanded its business base. We believe its performance will remain firm going forward.



CSI has been aggressively promoting its global strategy, and established its operating bases in Sweden and Denmark in FY2022, and has a plan in Taiwan and Thailand in FY2023. CSI's network is thus expanding steadily.

In addition, CSI has been promoting IT Asset Disposition (ITAD) services, which are disposition services of end-of-life IT equipment through safe and environmentally appropriate methods. Against this backdrop, CSI has been further developing its global network through the acquisition of an ITAD company in Germany and the establishment of new ITAD service facilities.



## CSI's Strengths and Introduction of ITAD Services



Providing high-quality and global-standard ITAD services in more than 50 countries

### What are IT Asset Disposition services?

#### Data destruction and disposal services for end-of-life IT equipment

IT equipment disposal requires consistent, high-quality services because of growing awareness of environmental concerns and information management.

Workplace for ITAD services in the U.S.



Hard disks and other equipment after destruction process



CSI owns an extensive network of 20 facilities in eight countries

On-site data erasure services provided by specialized truck



### Characteristics of services

#### Issuance of international standard certificates to customers

CSI has obtained certificates that meet international and each country's standards for safety and compliance when processing IT equipment, guaranteeing customers high-quality services.

Global certification



Certification



Growing **needs of multinational companies** seeking global-standard ITAD services

With the spread of digital technology, the number of **IT equipment processed is increasing yearly** (more than **1.5 million assets** per year)





## Collaboration with the NTT Group and CSI



Promoting collaboration between the NTT Group and CSI in overseas operations

**NTT DATA, Inc.**

ICT solutions

IT devices



**CSI LEASING**

Financial functions

Asset management and  
data erasure

By adding **continuous financial functions** and **solutions for asset management services** of leases owned by CSI to **ICT solutions** and **IT devices** provided by **NTT DATA, Inc.**, both companies will **make it possible to strengthen relationships** with business partners and **add value**



**CSI LEASING** Service Offerings



Asset management +  
lease residual value schemes



Professional teams in  
finance + IT



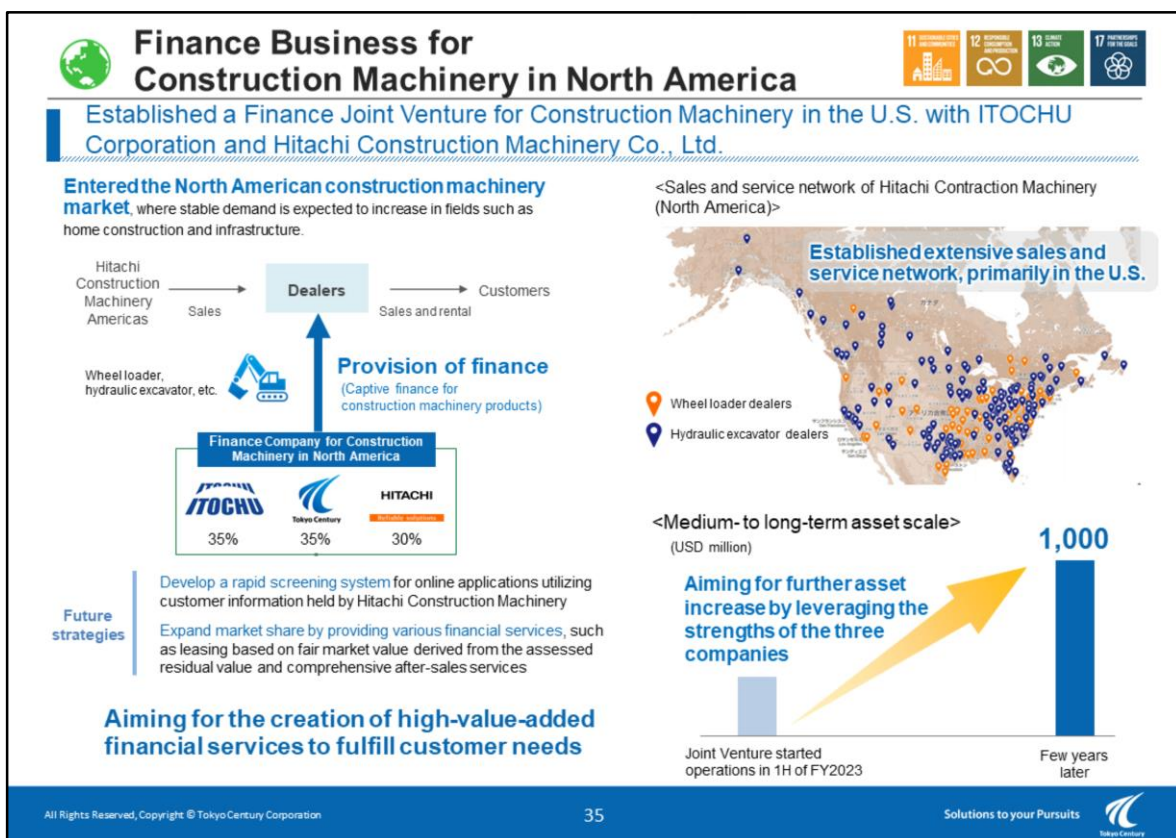
IT equipment  
data erasing services



Recycling services

Based on the collaboration with NTT Data, Inc., CSI provides customers with one-stop ICT life-cycle services by adding CSI's financial functions and various solutions for asset management services and data erasing services to ICT solutions and IT devices provided by NTT Data, Inc. At present, CSI has a steady pipeline of projects in Latin America, North America and other regions where it excels, making this a very exciting business.

By combining the NTT Group's capabilities to create and connect with CSI's secure asset management functions and global consulting network, we aim to contribute to expanding the NTT Group's overseas businesses.



TC has taken a 35% stake in a finance joint venture for construction machinery, which was established in the U.S. with ITOCHU and Hitachi Construction Machinery.

The North American market is expected to see steady demand in the home construction and infrastructure sectors, and further growth is expected by leveraging the brand power of the Hitachi Construction Machinery Group, which already has an extensive sales and service network in North America.

Over the medium to long term, we are looking to increase assets from this finance business to around \$1 billion.

We have a track record of collaboration with ITOCHU and Hitachi Construction Machinery in Thailand and Indonesia.

We will thus use our experience and move ahead with expanding our businesses by providing high-quality financial services.



## 4. Collaboration with the NTT Group

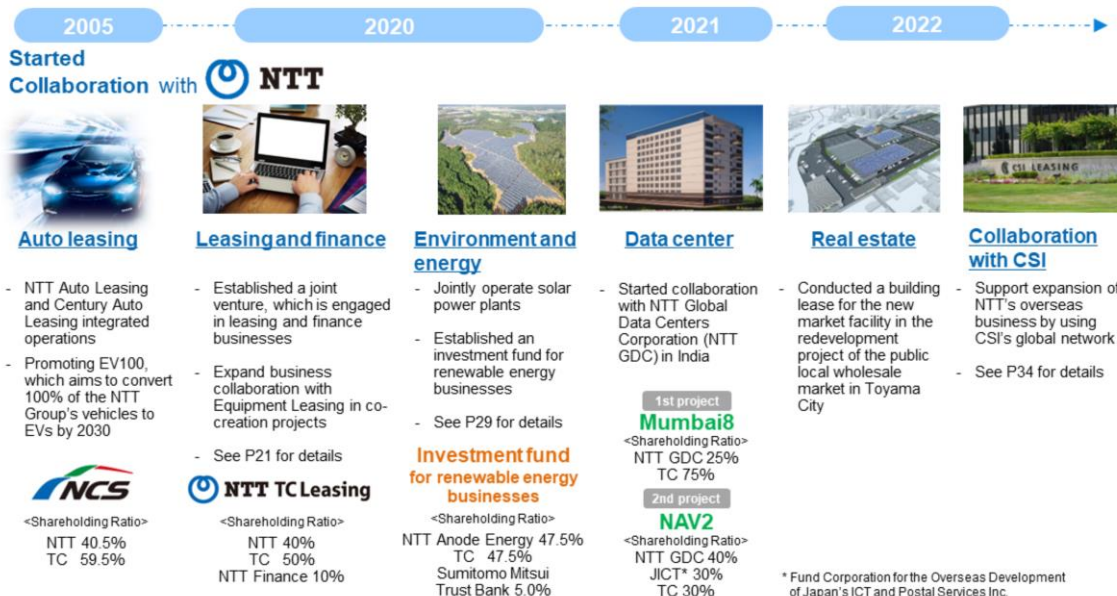
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## Status of Business Collaboration with the NTT Group



Promoting business collaboration in each business field by integrating the strengths of both companies





## 5. Promotion of Sustainability Management

## Promotion of Sustainability Management



Promoting sustainability management by setting non-financial KPIs linked to TC's materiality (key issues) based on SDGs

Materiality	Main KPIs (from SUSTAINABILITY DATA BOOK)
<b>■ Contribution to decarbonized society</b> Contribute to widespread use of clean energy through climate change response and environmental efforts	- Reduction of office electricity use (including gasoline and paper use) - Contribution to reducing CO <sub>2</sub> emissions through solar power generation businesses - Rate of electrified vehicle use (EVs, FCEVs, PHEVs, HVs) - Rate of fuel-efficient aircraft use - Projected aggregate greenhouse gas emissions reductions from Joint Crediting Mechanism (JCM) Model Projects
<b>■ Creation of new businesses driven by technical innovation</b> Create new businesses by integrating new technologies into financial services and contribute to the digital economy	- Maintained certification of Digital Transformation (DX) Certification system under the Ministry of Economy, Trade and Industry (METI)
<b>■ Contribution to social infrastructure development</b> Respond to advances in global mobility services and cooperate with local communities to contribute to social infrastructure development	- Number of vehicles equipped with telematics services and promotion of safe driving lessons conducted using the services - Ratio of rental cars equipped with safety features (automated brakes, etc.)
<b>■ Sustainable resource use</b> Contribute to development of a circular economy focused on the value of assets	- Promotion of refurbishment business - ITAD data erasure services (CSI Leasing subsidiary Executive Personal Computers, Inc.) - Promotion of car rental services (NRS)
<b>■ Enhancement of work environment, leading to strengthening of human resources</b> Promote human resources development, diversity, and work-style reforms that improve job satisfaction and foster a sense of personal growth	- Average monthly overtime hours - Annual paid leave acquisition rate / Childcare leave acquisition rate - Ratio of women among new graduates, in section leader positions and management positions - Rate of employees undergoing regular health check-ups / Rate of employees undergoing stress checks - Number of employees relocated through Career Challenge Program, etc.
<b>■ Shared platform</b>	Utilize diverse partnerships to create new value

### SUSTAINABILITY DATA BOOK



A wealth of **quantitative and qualitative information, including environmental performance,** is provided

- KPI's **target year** and specific **target details**
- KPI's **performance figures** from FY2019 to FY2021
- Scope 1 to Scope 3 **GHG emissions**  
(Added calculation results of aircraft and owned vessels to category 13 of scope 3)
- Obtained **independent practitioner's assurance** concerning environmental data such as GHG emissions
- Introduction of **GRI Standards Content Index**

The Tokyo Century Group<sup>\*1</sup> promotes the reduction of greenhouse gas (GHG) emissions<sup>\*2</sup> and aims to achieve **carbon neutrality by fiscal 2040**.

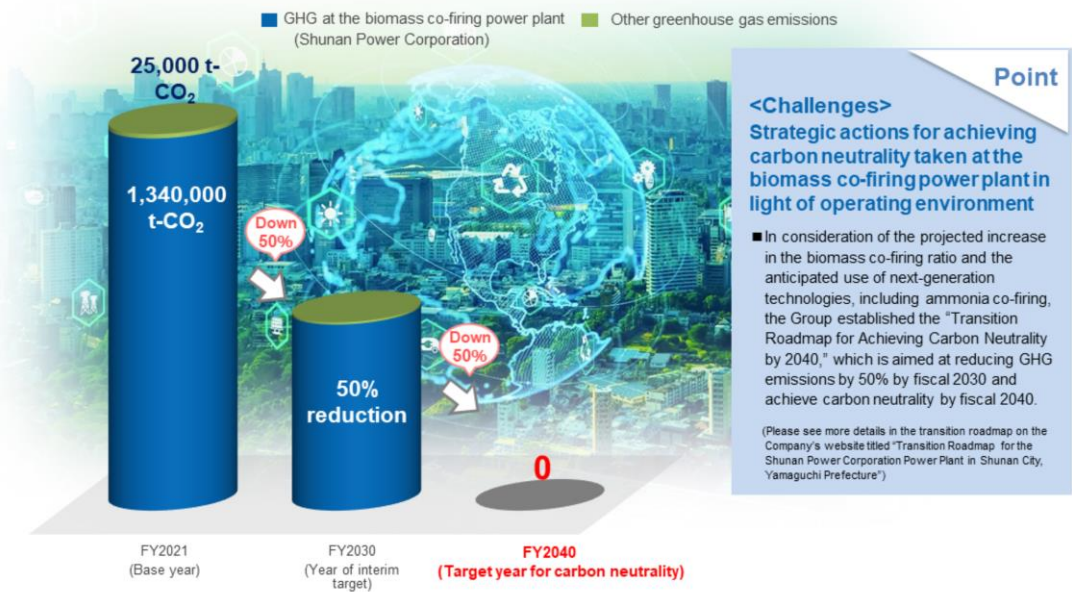
As the interim target toward carbon neutrality, the Tokyo Century Group aims to achieve a 50% reduction in GHG emissions by fiscal 2030 (vs. FY2021<sup>\*3</sup>).

<sup>\*1</sup> Major consolidated subsidiaries where personnel are located (including the biomass co-firing power plant of Shunan Power Corporation)

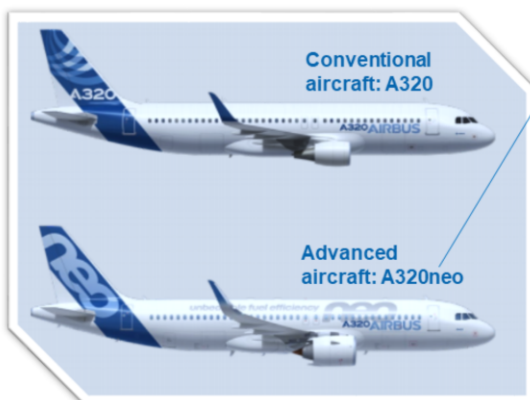
<sup>\*2</sup> Direct emissions from Company-owned and controlled resources (Scope 1) and indirect emissions from the consumption of purchased electricity, heat, and steam (Scope 2)

<sup>\*3</sup> Greenhouse gas emissions of 1,365,000 t-CO<sub>2</sub> in fiscal 2021  
(Emissions volume as calculated in relation to carbon-neutrality target = Fiscal 2021 greenhouse gas emissions + Estimated annual greenhouse gas emissions from hotel business and biomass co-firing power plant of Shunan Power)

The Tokyo Century Group's Greenhouse Gas Emissions Reduction Plan



## Aiming to reduce CO<sub>2</sub> emissions by proactively introducing the most advanced aircraft



Fuel efficiency was **UP** about **20%** compared to conventional aircraft

### How about fuel-efficient A320neo?

- Enables to reduce CO<sub>2</sub> emissions by about **3,100t** per year compared to conventional aircraft
- With 150 aircraft, the CO<sub>2</sub> reduction effect of solar power generation is equivalent to that of about **1 GW**<sup>\*1 \*2</sup>



**Contribution to achieving a decarbonized society by introducing new technologies in the aviation field**

<sup>\*1</sup> Japan Photovoltaic Energy Association (JPEA) guidelines in FY2021: CO<sub>2</sub> reduction effect of crystalline silicon type solar power generation system is 399.5g-CO<sub>2</sub>/kWh  
<sup>\*2</sup> Facility utilization rate is 12%

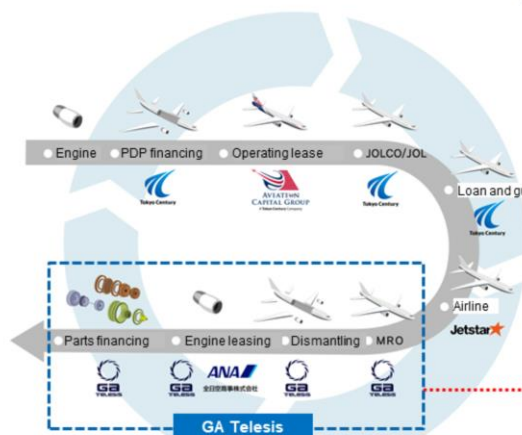




## Collaboration with GA Telesis engaged in aircraft engine leasing and parts trading

### Maximizing the value of TC's aircraft value chain

### GA Telesis, LLC\*



(Business activities)

- Dismantle used aircraft
- Repair and sale of engine parts, etc.
- Engine leasing
- Maintenance, repair, and overhaul of aviation related equipment
- Inventory finance

\* TC's equity-method affiliate (49.2% ownership by TC)



Promote **conversion business** from passenger aircraft to **cargo aircraft** since the demand for **cargo aircraft** is increasing



Contributing to the **creation of an environmentally sound, sustainable economy and society** primarily by dismantling retired aircraft and reusing the parts

# Scenario Analysis of Aircraft Leasing Business

E: Environmental

S: Social

G: Governance

As the result of the scenario analyses based on TCFD climate change will have a **limited impact** on the **aircraft leasing business**

## Decarbonization

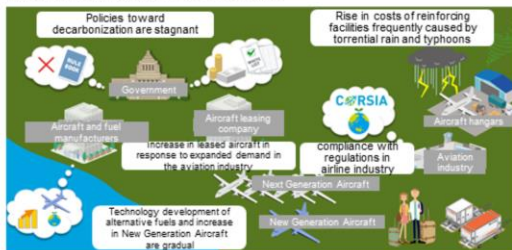


## Dependence on fossil fuels

### World View of the Well Below 2°C or 1.5°C Scenario



### World View of the 4°C Scenario



Under the 1.5°C Scenario,<sup>1</sup> **air passenger transport volume** is expected to grow by **an annual rate of 2.8%** (from 2019 to 2050) despite the underlying stricter assumption on energy regulations. Impact from the introduction of carbon taxes and stricter regulations on CO<sub>2</sub> emissions is expected to reduce leasing income and raise the impairment rate.

However, TC views that it is **possible to maintain a reasonable level of earnings** owing to the rise in air passenger transport volume.

<sup>1</sup> Sustainable Development Scenario (SDS) for a temperature rise of up to 1.5°C adopted by the IEA's Energy Technology Perspective (ETP) 2020

Under the fossil-fueled development scenario,<sup>2</sup> the **expansion in demand for aircraft** brought significant positive impact on leasing income, while the impact of impairment losses due to, among other things, the creditworthiness of airlines remained immaterial.

The calculation result showed **greater business earnings (ordinary income)** from the aircraft leasing business **compared to that of pre-scenario-based business**.

<sup>2</sup> IPCC Shared Socio-economic Pathways (SSP)



## Strengthening of human resources to support growth over the next 10 years

### Diversity and Initiatives for Empowering Female Employees

Ratio of female managers (non-consolidated)



Formulated the Action Plan on the Promotion of Women to Officer and Managerial Positions in October 2014. Aiming at steadily increasing the number of female officers and managers through the active employment, training, and promotion of highly motivated and talented women.



New graduates joined in April 2022

### Strategic Program for Developing Human Resources

Train management employees aiming at the next executives using the personnel program "TC Academy" for employees in managerial positions

Middle management employees



Competence and qualification required for future top management

### Career Challenge Program (Internal Recruitment Program)

Actively support employees' own career development  
⇒ Design individuals' career they pursue

	FY2020	FY2021
Open recruitment	47	75
Application	19	20
Employees who relocated to their desired divisions	14	13

### TC Biz Challenge (New Business Proposal Project)

Actively assist employees' proactive Challenge



Started a verification test for the commercialization of one new proposal

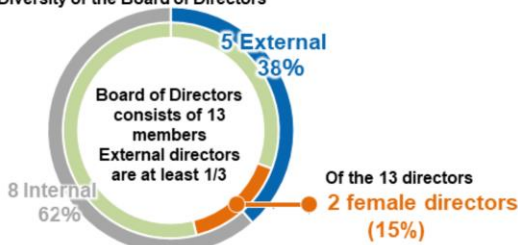
Circular agriculture that couples hydroponics for cultivating vegetables in water with aquaculture for raising fish on land

## Strengthen management systems contributing to the improvement of the effectiveness of the Board of Directors

### History of Strengthening of TC's Corporate Governance System

2018	● Separation of the Nomination and Compensation Committee into two entities: the Nomination Committee and the Compensation Committee
2019	● Number of external directors increased (from 4 to 5, external directors represent at least one-third of all directors)
2019	● System reforms implemented, including the appointment of external directors as chairpersons of the Nomination Committee and the Compensation Committee
2021	● Number of directors reduced (15 to 13), Shift to system incorporating diversity
2022	● Number of female directors increased (1 to 2)

### Diversity of the Board of Directors



### Evaluation of the Effectiveness and Issues of the Board of Directors

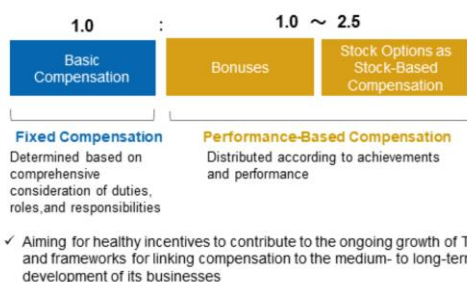
#### <Effectiveness evaluation>

Conducted an analysis and review on aspects such as the effectiveness of the Board of Directors' supervisory functions, status of deliberations, structure, and operating method by hiring a third-party assessment institution

#### <Major issues for the Board of Directors in FY2021>

Deliberated on expanding discussions of medium- to long-term time frames with an eye on the next 10 to 15 years, risk management and governance of the Group

### Officer Compensation



## Reference Information on Sustainability Management

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### ■ Sustainability Management

<https://www.tokyocentury.co.jp/en/csr/csr/policy.html>

### ■ Sustainability Data Book

<https://www.tokyocentury.co.jp/en/csr/databook/>

### ■ Tokyo Century NEWS

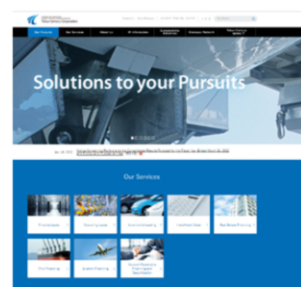
<https://tokyocentury-news.com/>

### ■ IR Information

<https://www.tokyocentury.co.jp/en/ir/>

### ■ Integrated Report

[https://www.tokyocentury.co.jp/en/ir/int\\_report/](https://www.tokyocentury.co.jp/en/ir/int_report/)



## 6. Appendix

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## Business Summary by Operating Segment



### Equipment Leasing

Provide financial services for a wide range of assets while developing many co-creative businesses with prime partners focused on digital domains, including IT solutions and subscriptions

- Moving forward with efforts to boost the value of leasing business while structuring and providing diverse financing programs through business collaboration with prime partner companies
- **Business Alliance with NTT:** NTT TC Leasing expanded its business scale by project-based sales through collaboration with the NTT Group and by co-creation with TC
- **Partnership Strategy:** (1) Promoted new collaborative services, including digital transformation, with the Fujitsu Group (2) Conversion of FFG Lease into equity-method affiliate by promoting business collaboration with Fukuoka Financial Group



### Mobility & Fleet Management

Provide auto leasing and car rental for corporate customers and individuals, which boast the leading lineup, to provide the best suited quality service depending on the purpose

- **Nippon Car Solutions (mainly for corporate customers):** Promoted enhancement of value chain to spread EVs, such as concluding a business alliance for storage battery business reusing EV batteries with Kansai Electric Power
- **Nippon Rent-A-Car Service (car rental):** Enhanced cost control to address the COVID-19 impact, thereby expecting to reach a record high in FY2022
- **Orico Auto Leasing (mainly for individuals):** Expanding auto leasing for individuals by enhancing its web system to facilitate the sales of its agencies



### Specialty Financing

Provide financial services for shipping, aviation, environment and energy, real estate, structured finance, principle investment (PI) and others, by utilizing highly specialized expertise

- **Aviation:** Strategically ordering next-generation aircraft with higher fuel efficiency while taking into account medium- to long-term passenger demand growth and increase in airlines promoting environmental impact reduction
- **Environment and energy:** Focusing on the mega solar power generation business developed by Kyocera TCL Solar and established a joint venture offering asset and technical management that seeks the improvement of solar power generation efficiency as a one-stop service
- **Real estate:** Hotel Indigo Karuizawa opened in February 2022 under joint management with InterContinental Hotels Group
- **PI:** Expanded joint investment with the Advantage Partners



### International Business

Provide tailored, specialized services to meet the unique needs of each country by promoting alliance strategies with leading local companies, financial institutions, and others

- **Overseas network:** Developing more than 30 countries and regions worldwide, including East Asia and ASEAN, Americas, Europe, Latin America, and other countries
- **CSI:** Expanding FMV leasing of IT equipment, which has strong demand amid COVID-19, and offering ITAD services, including data erasing and disposal for IT equipment, while promoting collaboration in overseas operations with NTT data
- **Business alliance with the NTT Group:** Started to further expand the data center business collaboration with the NTT Group developed in India

## FY2022 Main Topics

Announcement  
month

### June R&I upgraded the issuer rating of TC from “A” to “A+”



- The issuer rating obtained from Rating and Investment Information, Inc. (R&I) was upgraded from “A” to “A+”
- The outlook of the long-term issuer rating obtained from Japan Credit Rating Agency, Ltd. (JCR) was revised from “Stable” to “Positive”

### June Concluded a capital and business alliance agreement with BOT Lease Co., Ltd.



- Concluded a capital and business alliance agreement with BOT Lease
- Underwrote capital increase by way of third-party allotment together with MUFG Bank, Ltd. and The Norinchukin Bank and made a payment of approximately ¥10.8 billion at the end of October 2022
- Acquired a 25% stake and converted BOT Lease into an equity-method affiliate

### Sep. Announced carbon neutrality by FY2040



- Announced the TC Group's carbon neutrality policy that aims to achieve a 50% reduction of GHG emissions by fiscal 2030 compared to fiscal 2021 and reduce GHG emissions to virtually zero by fiscal 2040

### Sep. Concluded positive impact finance agreement



- Concluded a positive impact finance loan agreement for approximately ¥81.5 billion, a syndicated loan arranged by banks, including MUFG Bank, Ltd.
- This finance intends to continuously support positive impact activities by comprehensively analyzing and evaluating business activities' impacts on the environment, society, and economy



Tokyo Century



Equipment Leasing



Mobility & Fleet Management



Specialty Financing

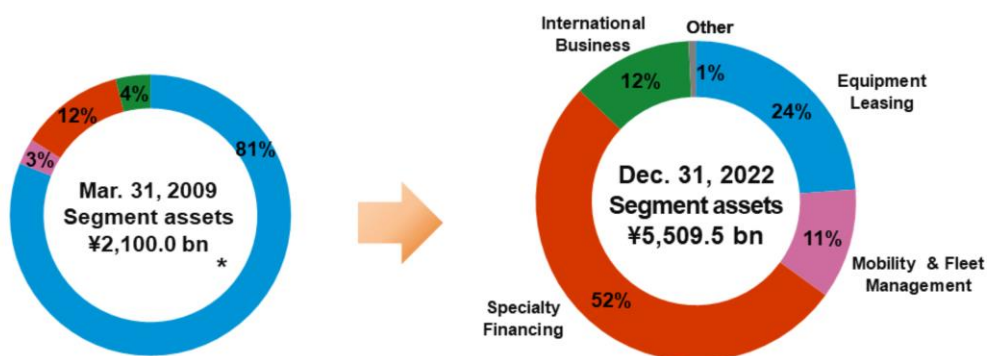


International Business



## Transition of Business Portfolio

High profitability segments, such as Mobility & Fleet Management, Specialty Financing, and International Business, are increasing the ratio in the segment assets



At the launch of the company

**FY2008 Results\***  
**Ordinary income** 22.3 billion yen  
**Net income attributable to owners of parent** 10.0 billion yen

\* Simple sum of the previous two companies immediately before merger

**FY2022 Forecast**  
**Ordinary income** 100.0 billion yen  
**Net income attributable to owners of parent** 1.0 billion yen

## Credit Ratings

### Credit ratings by each credit agency (Tokyo Century)

Credit Rating Agency	Japan Credit Rating Agency, Ltd. (JCR)	Rating and Investment Information, Inc. (R&I)	S&P Global Ratings Japan Inc. (S&P)
Long Term	<p>&lt;Long-Term Issuer Rating&gt; Rating: AA- Outlook: Positive</p> <p>&lt;Preliminary Rating for Bonds Registered for Issuance&gt;* Rating: AA- Expected issue amount: ¥400 billion Issue period: Two years beginning February 25, 2022</p> <p>&lt;Euro Medium-Term Note Program&gt; Rating: AA- Equivalent of USD2 billion</p>	<p>&lt;Issuer Rating&gt; Rating: A+ Outlook: Positive</p> <p>&lt;Preliminary Rating for Bonds Registered for Issuance&gt;* Rating: A+ Expected issue amount: ¥400 billion Issue period: Two years beginning February 25, 2022</p> <p>&lt;Euro Medium-Term Note Program&gt; Rating: A+ Equivalent of USD2 billion</p>	<p>&lt;Issuer Rating&gt; Rating: BBB Outlook: Stable</p>
Short Term	<p>&lt;Commercial Paper&gt; Rating: J-1+ Maximum outstanding amount: ¥800 billion</p>	<p>&lt;Commercial Paper&gt; Rating: a-1 Maximum outstanding amount: ¥800 billion</p>	

\* Each bond will be rated by each rating agency upon issuance.



# Statement of Income

(Billions of yen)

	#	FY2021 Q3 Result	FY2022 Q3 Result	Change	%Change
Revenues	1	936.9	958.5	21.6	2.3%
Costs	2	786.5	790.2	3.7	0.5%
Funding cost	3	35.3	46.7	11.4	32.4%
<b>Gross profit</b>	<b>4</b>	<b>150.4</b>	<b>168.3</b>	<b>17.9</b>	<b>11.9%</b>
SG&A expenses	5	84.5	99.2	14.7	17.4%
Personnel expenses	6	50.5	56.0	5.5	10.9%
Non-personnel expenses	7	35.8	41.3	5.5	15.4%
Credit costs	8	-1.8	1.9	3.7	-
Operating income	9	65.8	69.1	3.2	4.9%
Non-operating income and losses	10	6.9	13.5	6.6	96.0%
<b>Ordinary income</b>	<b>11</b>	<b>72.7</b>	<b>82.6</b>	<b>9.9</b>	<b>13.6%</b>
Extraordinary income and losses	12	-0.4	-74.9	-74.5	-
Income before income taxes	13	72.3	7.7	-64.6	-89.4%
Income taxes	14	21.9	10.1	-11.8	-54.1%
Net income	15	50.4	-2.4	-52.8	-
Net income attributable to non-controlling interests	16	6.9	7.8	0.9	12.3%
<b>Net income attributable to owners of parent</b>	<b>17</b>	<b>43.5</b>	<b>-10.2</b>	<b>-53.6</b>	<b>-</b>

## Major Factors for Change

### ■ Gross profit

Increased mainly in Specialty Financing and Mobility & Fleet Management

### ■ SG&A expenses

Personnel expenses and non-personnel expenses: increased mainly in International Business and Specialty Financing

### ■ Non-operating income and losses

Increased mainly due to an increase in equity in earnings of affiliates

### ■ Ordinary income

Increased mainly in Specialty Financing and Mobility & Fleet Management

### ■ Net income attributable to owners of parent

Decreased mainly due to an extraordinary loss of ¥77.1 billion in exposure to Russian airlines

## Balance Sheet

(Billions of yen)					
	#	Mar. 31, 2022	Dec. 31, 2022	Change	%Change
<b>Total assets</b>	<b>1</b>	<b>5,663.8</b>	<b>6,201.8</b>	<b>538.0</b>	<b>9.5%</b>
Current assets	2	2,963.6	2,970.8	7.3	0.2%
Non-current assets, etc.	3	2,700.2	3,231.0	530.8	19.7%
Leased assets	4	1,993.7	2,353.5	359.8	18.0%
Leased assets advance payment	5	55.9	85.4	29.5	52.8%
Other operating assets	6	116.2	214.4	98.2	84.5%
Investment securities	7	235.0	327.4	92.5	39.4%
Others	8	299.5	250.2	-49.2	-16.4%
<b>Total liabilities</b>	<b>9</b>	<b>4,868.2</b>	<b>5,247.3</b>	<b>379.1</b>	<b>7.8%</b>
Current liabilities	10	1,823.6	2,146.3	322.7	17.7%
Long-term liabilities	11	3,044.6	3,101.0	56.4	1.9%
<b>Total net assets</b>	<b>12</b>	<b>795.6</b>	<b>954.5</b>	<b>158.9</b>	<b>20.0%</b>
Shareholders' equity	13	673.0	828.0	154.9	23.0%
Non-controlling interests, etc.	14	122.6	126.5	4.0	3.2%

### Major Factors for Change

#### ■ Non-current assets, etc.

Leased assets  
Increased mainly in aircraft leasing assets  
of ACG due to the impact of the exchange  
rate fluctuations

## Interest-Bearing Debt

(Billions of yen)					
	#	Mar.31, 2021	Mar. 31, 2022	Dec. 31, 2022	
Interest-bearing debt	1	4,280.9	4,247.4	4,615.1	Change 367.8 %Change 8.7%
Commercial papers	2	629.6	371.5	455.7	84.2 22.7%
Japanese yen	3	629.6	289.6	367.2	77.6 26.8%
Foreign currency	4	-	81.9	88.5	6.6 8.1%
Corporate bonds	5	1,022.7	1,000.1	1,114.6	114.5 11.4%
Japanese yen	6	362.5	401.5	373.7	-27.8 -6.9%
Foreign currency	7	660.2	598.6	740.9	142.3 23.8%
Securitized lease assets	8	61.6	31.4	28.7	-2.7 -8.7%
Borrowings	9	2,567.0	2,844.4	3,016.1	171.8 6.0%
Japanese yen	10	1,736.1	1,941.4	1,891.8	-49.6 -2.6%
Foreign currency	11	830.9	903.0	1,124.3	221.3 24.5%
Direct funding ratio	12	40.0%	33.0%	34.6%	1.6pt
Long-term funding ratio	13	78.3%	84.5%	83.8%	-0.7pt

	#	FY2020 Q3 Result	FY2021 Q3 Result	FY2022 Q3 Result	Change	%Change
Funding cost	14	32.5	35.3	46.7	11.4	32.4%
Funding cost ratio*	15	1.01%	1.09%	1.41%	0.32pt	

(Change of funding cost by fiscal year)

	#	FY2020 Result	FY2021 Result	Change	%Change
Funding cost	16	43.9	47.9	4.1	9.3%
Funding cost ratio*	17	1.02%	1.13%	0.11pt	

\* Funding cost ratio = Funding costs / (Interest-bearing debt of the previous fiscal year end + Interest-bearing debt of this fiscal year end) / 2 }

### The Largest Amount of Sustainability-Linked Loan (SLL)-Based Fundraising in Japan

Raised over **¥233.7 billion** through SLLs with preferential interest rates applied based on the level of achievement of the ESG initiatives, which was **the largest amount of SLL-based fundraising in Japan** (As of December 31, 2022)

### Major Factors for Change

#### Interest-bearing debt

Increased mainly in interest-bearing debt denominated in foreign currency due to the impact of the exchange rate fluctuations

## Quarterly Changes in Results by Subsidiary in Mobility & Fleet Management

Reached a record high for Q3, mainly due to  
NCS's maximized gains on sales and NRS's improved profitability

		FY 2021						FY 2022					
		Q1	Q2	Q3	Q4	Total (Q1-Q3)	Total (Annual)	Q1	Q2	3Q	Total (Q1-Q3)	Change (YoY)	Change (YTD)
Revenues (Billions of yen) <sup>2</sup>	NCS	52.8	51.9	48.7	47.8	153.5	201.3	54.0	49.2	47.4	150.6	-2.9	
	NRS <sup>1</sup>	14.9	14.2	17.9	17.4	47.1	64.4	16.3	18.0	20.4	54.7	7.6	
	OAL	20.2	21.0	21.4	22.4	62.5	85.0	20.8	22.2	22.4	65.4	2.9	
	Total	87.9	87.1	88.1	87.6	263.1	350.7	91.2	89.4	90.2	270.7	7.6	
Ordinary income (Billions of yen)	NCS	5.2	4.6	2.5	1.9	12.4	14.3	6.8	5.0	2.2	14.1	1.7	
	NRS	-1.1	-1.0	1.5	1.9	-0.7	1.2	0.9	2.2	3.9	7.0	7.7	
	OAL	0.6	0.6	0.7	1.8	1.9	3.8	0.6	0.5	0.7	1.8	-0.1	
	Other	0.0	0.0	-0.0	-0.0	0.0	-0.0	-0.0	-0.0	-0.1	-0.1	-0.2	
	Total	4.8	4.2	4.7	5.6	13.7	19.2	8.3	7.7	6.8	22.8	9.1	
Balance of segment assets (Billions of yen)	NCS	366.9	363.3	359.8	359.3			351.8	348.3	345.7		-14.2	-13.6
	NRS	42.6	40.8	43.0	40.3			41.7	41.5	49.3		6.4	9.0
	OAL	217.8	219.4	220.2	211.7			214.2	215.0	218.4		-1.8	6.7
	Other <sup>3</sup>	-0.8	0.7	0.8	0.5			2.4	2.2	2.1		1.4	1.6
	Total	626.5	624.2	623.8	611.8			610.1	607.0	615.5		-8.3	3.7
Number of vehicles (Thousand)	NCS	671	674	674	674			673	679	680		6	6
	NRS	42	44	42	43			44	49	44		2	1
	OAL	164	166	168	170			172	173	175		8	5
	Duplication adjustment	-172	-170	-172	-174			-176	-177	-179		-7	-5
	Total	704	714	712	713			713	724	720		9	7

\*1 Fiscal period of NRS ends in December \*2 Revenues = Simple sum of three companies

\*3 Intercompany adjustment within the companies in Mobility & Fleet Management

## Breakdown of Ordinary Income by Operating Segment (Core earnings, gain on sales, impairment, etc.)

Core earnings in Mobility & Fleet Management increased due to contributions from NRS

(Billions of yen)											
	FY2021						FY2022				
	Q1	Q2	Q3	Q4	Total (Q1-Q3)	Total (Annual)	Q1	Q2	Q3	Total (Q1-Q3)	Change
Equipment Leasing	8.1	8.2	7.5	10.1	23.8	33.9	9.1	8.2	6.8	24.1	0.3
Core earnings	8.1	8.2	7.5	10.2	23.8	34.0	9.2	8.0	6.9	24.1	0.3
Gain on sales *1	-	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc. *2	0.0	-0.0	-0.0	-0.1	-0.0	-0.1	-0.2	0.2	-0.1	-0.1	-0.0
Mobility & Fleet Management	4.8	4.2	4.7	5.6	13.7	19.2	8.3	7.7	6.8	22.8	9.1
Core earnings	4.8	4.2	4.6	5.7	13.7	19.3	8.3	7.8	6.5	22.6	8.9
Gain on sales	-	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc.	0.0	-0.1	0.0	-0.1	-0.0	-0.1	-0.0	-0.1	0.3	0.2	0.2
Specialty Financing	15.5	11.6	5.0	-2.6	32.1	29.5	24.0	12.9	10.5	47.4	15.4
Core earnings	13.2	9.7	10.7	13.5	33.6	47.1	11.9	12.8	8.2	32.9	-0.7
Gain on sales	6.2	1.1	0.5	7.1	7.8	14.9	12.2	1.0	4.5	17.7	9.9
Impairment, bad debt, etc.	-3.9	0.8	-6.2	-23.2	-9.3	-32.5	-0.0	-0.9	-2.2	-3.1	6.2
International Business	4.6	3.0	3.6	7.8	11.2	19.0	-6.6	-1.1	2.8	-5.0	-16.2
Core earnings	4.7	3.1	3.6	2.5	11.4	13.8	4.9	4.9	3.5	13.4	2.0
Gain on sales	-	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc.	-0.1	-0.1	-0.0	5.3	-0.2	5.2	-11.5	-6.0	-0.8	-18.3	-18.2
Other	-2.5	-2.9	-2.6	-3.1	-8.0	-11.1	-2.8	-3.9	-0.0	-6.8	1.3
Core earnings	-2.5	-3.0	-2.7	-2.7	-8.1	-10.8	-2.9	-3.8	-4.2	-10.8	-2.7
Gain on sales	-	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc.	-0.0	0.1	0.0	-0.4	0.1	-0.3	0.0	-0.1	4.1	4.0	3.9
<b>Total</b>	<b>30.5</b>	<b>24.1</b>	<b>18.0</b>	<b>17.8</b>	<b>72.7</b>	<b>90.5</b>	<b>32.0</b>	<b>23.9</b>	<b>26.7</b>	<b>82.6</b>	<b>9.9</b>
Core earnings	28.3	22.3	23.7	29.2	74.3	103.5	31.5	29.7	21.0	82.2	7.9
Gain on sales	6.2	1.1	0.5	7.1	7.8	14.9	12.2	1.0	4.5	17.7	9.9
Impairment, bad debt, etc.	-3.9	0.7	-6.2	-18.4	-9.4	-27.8	-11.7	-6.9	1.3	-17.3	-7.9

\*1 Aggregated results: gains (losses) on sales of real estate and operational investment securities

\*2 Aggregated results: impairment, bad debt, and gain (loss) on valuation of operational investment securities

## Major Group Companies (Domestic)

Company Name	Operating Segment	Main Business Operations	Tokyo Century	Shareholders
FLCS Co., Ltd.	Equipment Leasing	IT equipment leasing	80%	Fujitsu: 20%
IHI Finance Support Corporation	Equipment Leasing	General leasing and finance	66.5%	IHI: 33.5%
Orico Business Leasing Co., Ltd.	Equipment Leasing	General leasing	50%	Orient Corporation: 50%
ITEC Leasing Co., Ltd.	Equipment Leasing	General leasing	85.1%	NHK Group: 14.9%
S.D.L Co., Ltd.	Equipment Leasing	General leasing	100%	
TRY Corporation	Equipment Leasing	Refurbishment of PCs	80%	Movable Trade Networks: 20%
TCTsukishima Energy Solution LLC	Equipment Leasing	Biogas electricity generation and selling electricity business	90%	Tsukishima Kikai: 10%
Amada Lease Co., Ltd.	Equipment Leasing	General leasing	60%	Amada: 40%
NTT TC Leasing Co., Ltd.	* Equipment Leasing	General leasing and finance	50%	NTT Group: 40%, NTT Finance: 10%
NTTSU Lease & Finance Co., Ltd.	* Equipment Leasing	General leasing and finance	49%	Nippon Express: 49%, Sampo Japan Insurance: 2%
ITOCHU TC Construction Machinery Co., Ltd.	* Equipment Leasing	Sales and rental of construction machinery	50%	ITOCHU: 50%
Nanatsujima Biomass Power LLC	* Equipment Leasing	Electricity generation business	25.1%	IHI and 7 other companies
Bplats, Inc.	* Equipment Leasing	Subscription business	31.3%	
FFG Lease Co., Ltd.	* Equipment Leasing	General leasing	25%	Fukuoka Financial Group, Inc.: 75%
Nippon Car Solutions Co., Ltd.	Mobility & Fleet Management	Auto leasing	59.5%	NTT: 40.5%
Nippon Rent-A-Car Service, Inc.	Mobility & Fleet Management	Car rental	88.6%	ANA Holdings: 11.4%
Orico Auto Leasing Co., Ltd.	Mobility & Fleet Management	Auto leasing for individuals	50%	Orient Corporation: 50%
TC Kobelco Real Estate Co., Ltd.	Specialty Financing	Real estate business	70%	Kobe Steel: 25%, Chuo-Nittochi: 5%
TC Hotels & Resorts Karuzawa Co., Ltd.	Specialty Financing	Hotel business	100%	
Kyocera TOL Solar LLC	Specialty Financing	Electricity generation business	81%	Kyocera: 19%
TCLA Godo Kaisha	Specialty Financing	General leasing	100%	
Shunan Power Corporation	Specialty Financing	Electricity generation business	60%	Tokuyama: 20%, Marubeni Clean Power: 20%
TC Property Solutions Corporation	Specialty Financing	Property management	100%	
Chuo-Nittochi Asset Management Co., Ltd.	* Specialty Financing	Management and formation of real estate funds	30%	Chuo-Nittochi: 70%
BOT Lease Co., Ltd.	* Other	General leasing and finance	25%	MUFG: 27.7%, The Norinchuikin Bank: 25%

\* Equity method affiliate

## Major Group Companies (Overseas)

Location	Overseas Group Company	Operating Segment	Main Business Operations	Tokyo Century	Shareholders
U.S.	TC Skyward Aviation U.S., Inc.	Specialty Financing	Aviation leasing and finance	100%	
	TC Realty Investments Inc.	Specialty Financing	Real estate investment	100%	
	Aviation Capital Group LLC	Specialty Financing	Aviation leasing and finance	100%	
	GA Telesis, LLC	* Specialty Financing	Provider of products, services and solutions to the commercial aerospace industry	49.2%	ANA Trading: 10%
	Gateway Engine Leasing, LLC	* Specialty Financing	Aircraft engine leasing	20%	GA Telesis: 40% ANA Trading: 40%
Ireland	TC Skyward Aviation Ireland Ltd.	Specialty Financing	Aviation leasing and finance	100%	
	TC Aviation Capital Ireland Ltd.	Specialty Financing	Aviation leasing and finance	100%	
China	Tokyo Century Leasing China Corporation	International Business	General leasing	80%	ITOCHU Group: 20%
	Tokyo Century Factoring China Corporation	International Business	Factoring services	100%	
	Dalian Bingshan Group Hua Hui Da Financial Leasing Co., Ltd.	* International Business	Finance and general leasing	40%	Dalian Bingshan Group: 60%
	Suzhou New District Furui Leasing Co., Ltd.	* International Business	Finance and general leasing	15.8%	Suzhou government-affiliated companies: 80.2%
Taiwan	President Tokyo Corporation	* International Business	Automobile leasing and general leasing	49%	Uni-President Enterprises Group: 51%
Singapore	Tokyo Century Leasing (Singapore) Pte. Ltd.	International Business	General leasing	100%	
	Tokyo Century Asia Pte. Ltd.	International Business	Investment, shareholding, and ancillary business	100%	
Malaysia	Tokyo Century Capital (Malaysia) Sdn. Bhd.	International Business	General leasing	100%	
	TISCO Tokyo Leasing Co., Ltd.	International Business	General leasing	49%	TISCO Financial Group: 49%
Thailand	HTC Leasing Co., Ltd.	International Business	Construction machinery finance	70%	Hitachi Construction Machinery Group: 30%
	TC Advanced Solutions Co., Ltd.	International Business	Reverse factoring and other services	59%	
	TC Car Solutions (Thailand) Co., Ltd.	International Business	Auto financing and services	99%	
	PT. Century Tokyo Leasing Indonesia	International Business	General leasing	85%	Lippo Group: 15%
Indonesia	PT. Hexa Finance Indonesia	* International Business	Construction machinery finance	20%	ITOCHU Group: 50% Hitachi Construction Machinery Group: 30%
Philippines	BPI Century Tokyo Lease & Finance Corporation	International Business	General leasing	51%	Bank of the Philippine Islands: 49%
Myanmar	Yoma Fleet Ltd.	* International Business	Auto leasing and car sharing	20%	Yoma Strategic Holdings: 80%
U.S.	CSI Leasing, Inc.	International Business	IT equipment leasing	100%	
	Tokyo Century (USA) Inc.	International Business	General leasing	100%	
	AP Equipment Financing	International Business	Finance and general leasing	100%	
	ZAVIS Financial Services Americas, LLC	* International Business	Construction machinery finance	35%	ITOCHU Group: 35% Hitachi Construction Machinery Group: 30%

\* Equity-method affiliate



## External Evaluation: Inclusion in Global Indices

Highly evaluated by ESG evaluation organizations in Japan and overseas and used in many indices

### JPX-Nikkei Index 400

The stock index is composed of companies with high appeal for investors, which meet requirements of global investment standards, including ROE, an indicator of capital efficiency. Tokyo Century has been selected to the index since its launch in 2014.

### FTSE4Good Index

Tokyo Century has been selected as a constituent of the FTSE4Good Index series, a major global index for socially responsible investment.

### S&P/JPX Carbon Efficient Index

Tokyo Century has been selected as a constituent of the S&P/JPX Carbon Efficient Index that is designed to help improve corporates' disclosure on carbon and data transparency, by adjusting constituents' weights according to their relative carbon-to-revenue footprint since 2018.

### MSCI Japan ESG Select Leaders Index

The index based on the MSCI Japan IMI Top 700 Index to represent the performance of companies that have high environmental, social, and governance (ESG) performance. Tokyo Century has been a constituent of the index since 2017.

### MSCI Japan Empowering Women (WIN) Select Index

The index is comprised of companies with excellent gender diversity scores within their sector among the MSCI Japan IMI Top 700 Index. Tokyo Century has been a constituent of the index since 2022.

### FTSE Blossom Japan Index

Tokyo Century is a constituent of the FTSE Blossom Japan Index, which is designed as a tool to measure the performance of Japanese companies that demonstrate strong environmental, social, and governance (ESG) practices.

### FTSE Blossom Japan Sector Relative Index

Tokyo Century is a constituent of the FTSE Japan Sector Relative Index, which is designed to evaluate efforts demonstrating outstanding environmental, social, and governance (ESG) practices in respective sectors and promoting the transition to a low-carbon economy.

Note: The Government Pension Investment Fund (GPIF) of Japan has selected the  marked indices as a benchmark for passive ESG investments



Any statements in this document, other than those of historical facts, are forward-looking statements about the future performance of Tokyo Century Corporation and its Group companies, which are based on management's assumptions and beliefs in light of information currently available, and involve risks and uncertainties. Actual results may differ materially from these forecasts. All numerical terms and names presented in this report conform to the "short scale" numerical system. (i.e., "billion" = "10<sup>9</sup>" and "trillion" = "10<sup>12</sup>")

## Inquiries



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