



# **Consolidated Financial Results**

**For the Three Months of Fiscal Year Ending March 31, 2024**

**August 9, 2023**



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## 1. Financial Highlights

## Financial Highlights

Ordinary income decreased 0.7% YoY to ¥31.8 billion, and net income was ¥18.2 billion, up ¥37.7 billion, due to the dissipation of extraordinary losses

(Billions of yen)

	FY2022	FY2023	Change	% Change	FY2023 Forecast	
	Q1 Result	Q1 Result			Announced on May 12, 2023	% Progress
Revenues	315.1	329.0	13.8	4.4%	-	-
Operating income	26.9	28.2	1.3	4.9%	-	-
<b>Ordinary income</b>	<b>32.0</b>	<b>31.8</b>	<b>-0.2</b>	<b>-0.7%</b>	<b>110.0</b>	<b>28.9%</b>
<b>Net income (loss) attributable to owners of parent</b>	<b>-19.5</b>	<b>18.2</b>	<b>37.7</b>	<b>-</b>	<b>70.0</b>	<b>26.0%</b>
ROA (Net income / Total assets)	-	1.2%	-	-		
ROE (Net income / Shareholders' equity)	-	9.5%	-	-		

	Mar. 31, 2023	Jun. 30, 2023	Change	% Change
Total assets	6,082.1	6,151.8	69.7	1.1%
<b>Balance of segment assets</b>	<b>5,363.8</b>	<b>5,449.2</b>	<b>85.4</b>	<b>1.6%</b>
Shareholders' equity	761.6	775.6	14.0	1.8%
Shareholders' equity ratio	12.5%	12.6%	0.1pt	-

Average foreign exchange rate (USD1)      ¥ 116.34      ¥ 132.43 (Foreign exchange rate for January–March for major overseas subsidiaries)






Foreign exchange rate at quarter end (USD1)      ¥ 132.70      ¥ 133.54 (Foreign exchange rate for major overseas subsidiaries as of the end of March)

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

- ✓ Ordinary income was ¥31.8 billion, a year-on-year decline of ¥200 million, while net income was ¥18.2 billion, a year-on-year increase of ¥37.7 billion due to the dissipation of extraordinary losses related to Russia.
- ✓ The balance of segment assets in the table below totaled ¥5,449.2 billion, an increase of ¥85.4 billion compared to the end of the previous fiscal year.

## Net Income & ROA by Operating Segment

Net income increased ¥37.7 billion YoY due to the recovery of Specialty Financing and International Business

Net income				(Billions of yen)		ROA (Net income / Segment assets)	
	FY2022 Q1 Result	FY2023 Q1 Result	Change	FY2023 Forecast	% Progress	FY2023 Q1 Result	Change
 Equipment Leasing	6.7	6.5	-0.2	24.0	27%	2.0%	-
 Automobility	3.4	5.5	2.2	13.0	43%	3.6%	1.4pt
 Specialty Financing	-18.0	3.7	21.7	26.0	14%	0.6%	-
 International Business	-8.1	2.5	10.6	14.0	18%	1.5%	-
 Environmental Infrastructure	0.5	2.3	1.8	4.0	58%	3.4%	2.1pt
Other	-4.0	-2.4	1.6	-11.0	22%		
<b>Total (Net income)</b>	<b>-19.5</b>	<b>18.2</b>	<b>37.7</b>	<b>70.0</b>	<b>26%</b>	<b>1.3%</b>	<b>-</b>






ROA (Net income / Total assets)	
	1.2%

- ✓ In the Medium-Term Management Plan 2027, which was launched from FY2023, we switched to net income, from ordinary income, as the basis for our financial targets. We stated net income and ROA by each operating segment.
- ✓ In the Equipment Leasing segment, income slightly declined year on year. However, we secured segment income growth in the other four operating segments. In particular, in the Specialty Financing and International Business segments, in which we posted large impairment and valuation losses year on year, segment income substantially grew.
- ✓ In Q1, our achievement rate (progress in %) for net income was 26% of our forecast of ¥70.0 billion for FY2023, surpassing our standard achievement rate of 25%. On an operating segment basis, Q1 segment income in the Equipment Leasing, Automobility and Environmental Infrastructure segments outperformed our standard achievement rate of 25%. Meanwhile, Q1 segment income in the Specialty Financing and International Business segments underperformed the standard 25% mark.
- ✓ In the Automobility and Environmental Infrastructure segments, the rate of progress was high, owing in part to seasonal factors. On the flip side, in the Specialty Financing segment, the rate of progress was low due to a low level of gains on sales. The net income for the full fiscal year is not merely four times the quarterly result, but overall, it is our belief that we are off to a smooth start to achieve our annual plan.

## Ordinary Income & ROA by Operating Segment

Ordinary income remained flat YoY, primarily due to a decrease in gain on sales in Specialty Financing, despite the recovery of International Business

### Ordinary income

	FY2022 Q1 Result	FY2023 Q1 Result	Change
 Equipment Leasing	9.1	8.8	-0.3
 Automobility	8.3	11.9	3.6
 Specialty Financing	22.3	5.9	-16.4
 International Business	-6.6	4.2	10.8
 Environmental Infrastructure	1.7	3.8	2.1
Other	-2.8	-2.8	0.0
<b>Total (Ordinary income)</b>	<b>32.0</b>	<b>31.8</b>	<b>-0.2</b>

(Billions of yen)

### ROA

(Ordinary income / Segment assets)

	FY2023 Forecast	% Progress	FY2023 Q1 Result	Change
	33.0	27%	2.7%	-
	28.5	42%	7.8%	2.4pt
	39.5	15%	0.9%	-3.1pt
	18.5	23%	2.5%	-
	6.5	59%	5.6%	1.2pt
	-16.0	18%		
<b>Total</b>	<b>110.0</b>	<b>29%</b>	<b>2.4%</b>	<b>-0.2pt</b>

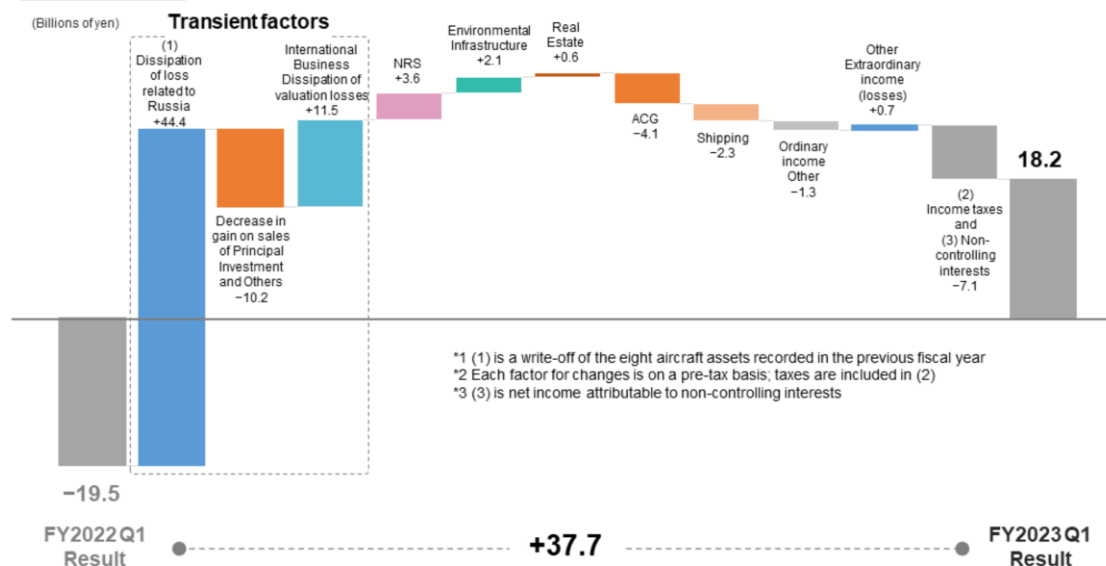
ROA (Ordinary income / Total assets)	Change
2.1%	-0.1pt

- ✓ Operating segment trends on an ordinary income basis, our former financial target.
- ✓ In contrast with a net income basis, segment income in Specialty Financing sharply decreased from the same period of the previous fiscal year.
- ✓ In Specialty financing in Q1 FY2022, a year earlier, on one hand, while we recorded an extraordinary loss due to impairment losses related to Russia, on the other hand we posted gains on sales exceeding ¥10.0 billion at the ordinary income level. In Q1 FY2023, the quarter under review, we posted a substantial decline in ordinary income but a sharp rise in net income due to the dissipation of the two major factors in Q1 FY2022.
- ✓ The forecast for FY2023 ordinary income is ¥110.0 billion. Versus this target, we secured an achievement rate of 29% in Q1 FY2023, which was also above the standard achievement rate.
- ✓ The achievement rate in each respective operating segment trended on par with the achievement rate for net income.

## Breakdown of YoY Changes in Net Income (Loss)

Net income increased YoY, primarily due to the dissipation of a ¥44.4 billion loss related to Russia

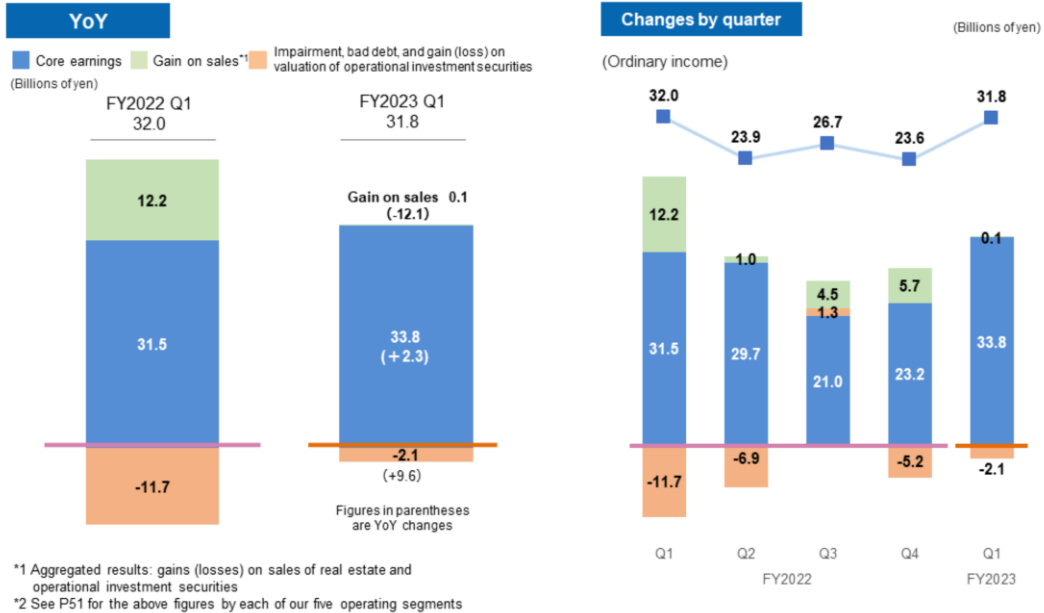
### Net income



- ✓ Net income in Q1 FY2023 was ¥18.2 billion, an increase of ¥37.7 billion from the negative ¥19.5 billion recorded in the same period of the previous fiscal year. This growth is mainly attributable to the dissipation of an extraordinary loss of ¥44.4 billion related to Russia posted in the same period of the previous fiscal year.
- ✓ In addition, I will provide simplified supplemental details for trends in each business, excluding transient factors, and NRS and ACG, which I will explain later.
- ✓ First, segment income in Environmental Infrastructure rose ¥2.1 billion year on year. This reflects contribution from electrical power sales revenue at a large-scale biomass co-firing power plant, for which commercial operations were launched from September 2022.
- ✓ In real estate, although there were no gains from large-lot sales, income grew ¥600 million underpinned by strong performance. In shipping, income declined ¥2.3 billion due to a decrease in gain on investment in equity-method affiliates.

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

Core earnings amounted to ¥33.8 billion, up ¥2.3 billion YoY



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Solutions to your Pursuits



- ✓ As you can see in the legend at the left top of this slide, this page shows the breakdown of ordinary income into three categories: “Core earnings,” “Gain on sales,” and “Impairment, bad debt, and gain (loss) on valuation of operational investment securities.”
- ✓ “Gain on sales” covers capital gains from real estate and operational investment securities.
- ✓ Year-on-year trends are on the left-hand side and quarterly trends are on the right-hand side.
- ✓ Core earnings totaled ¥33.8 billion, an increase of ¥2.3 billion year-on-year.
- ✓ Core earnings for Automobility rose ¥3.6 billion and for Environmental Infrastructure improved ¥2.0 billion. Performance in both of these operating segments were the drivers for income growth.
- ✓ Next, gain on sales in the Specialty Financing segment totaled ¥100 million, a decline of ¥12.1 billion year on year and impairment, bad debt, and gain (loss) on valuation of operational investment securities came to ¥2.1 billion, a decrease of ¥9.6 billion primarily due to the dissipation of valuation losses in the International Business segment. The deterioration in these two categories as substantial.
- ✓ The performance of each business segment broken down to “core earnings,” “gain on sales” and “impairment, bad debt, and gain (loss) on valuation of operational investment securities” can be found on page 51.



## Balance of Segment Assets by Operating Segment

Segment assets increased ¥85.4 billion from the end of the previous fiscal year mainly due to an increase in Specialty Financing

		(Billions of yen)					
		Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Jun. 30, 2023	Change
<b>Balance of segment assets</b>		<b>4,773.0</b>	<b>4,800.5</b>	<b>4,879.4</b>	<b>5,363.8</b>	<b>5,449.2</b>	<b>85.4</b> +23.8*
Equipment Leasing		1,471.1	1,489.1	1,379.7	1,287.1	1,273.8	-13.3
	Percentage	30.8%	31.0%	28.3%	24.0%	23.4%	+0.0*
Automobility		631.2	629.5	611.8	611.6	615.1	3.6
	Percentage	13.2%	13.1%	12.5%	11.4%	11.3%	
Specialty Financing		2,008.7	2,034.4	2,152.5	2,490.6	2,566.1	75.5
	Percentage	42.1%	42.4%	44.1%	46.4%	47.1%	+15.6*
International Business		510.6	483.1	557.1	655.7	682.9	27.2
	Percentage	10.7%	10.1%	11.4%	12.2%	12.5%	+8.1*
Environmental Infrastructure		139.2	150.3	159.4	277.9	270.5	-7.4
	Percentage	2.9%	3.1%	3.3%	5.2%	5.0%	+0.1*
Other		12.2	13.9	19.0	41.0	40.8	-0.2
	Percentage	0.3%	0.3%	0.4%	0.8%	0.7%	

\* Exchange rate factors

- ✓ The balance of segment assets totaled ¥5,449.2 billion, an expansion of ¥85.4 billion from the end of FY2022.
- ✓ In Specialty Financing, assets increased ¥75.5 billion, due mainly to a build-up of aircraft-related assets, including ACG. In addition, in International Business, assets rose ¥27.2 billion, primarily attributable to a build-up in CSI.
- ✓ Meanwhile, in Equipment Leasing, assets trended downward ¥13.3 billion continuously. In comparison with the end of the fiscal year ended March 31, 2021, assets in this operating segment decreased approximately ¥200.0 billion.
- ✓ We believe we are seeing benefits for improving ROA from the point of view of compressing low-efficiency assets. In the current Medium-Term Management Plan 2027, the intention is not to merely lower the balance of assets. We aim to shift to assets that boast a higher profit margin. In the portion of the current Medium-Term Management Plan 2027 pertaining to Equipment Leasing, we plan to build-up necessary assets to attain our segment income and ROA targets.

## FY2023 Consolidated Results Forecast

**Record** net income attributable to owners of parent is expected: **¥70.0 billion**

Annual dividends are planned to be **¥200** per share, an **increase of ¥57, up approximately 40% YoY**

(Billions of yen)

	FY2022 Result	FY2023 Forecast	Change	% Change
<b>Ordinary income</b>	<b>106.2</b>	<b>110.0</b>	<b>3.8</b>	<b>3.6%</b>
Equipment Leasing	31.7	33.0	1.3	4.0%
Automobility	28.0	28.5	0.5	1.9%
Specialty Financing	57.0	39.5	-17.5	-30.7%
International Business	-0.9	18.5	19.4	-
Environmental Infrastructure	0.4	6.5	6.1	-
Other	-10.0	-16.0	-6.0	-
<b>Net income attributable to owners of parent</b>	<b>* 4.8</b>	<b>70.0</b>	<b>65.2</b>	<b>-</b>
Equipment Leasing	22.9	24.0	1.1	4.9%
Automobility	12.1	13.0	0.9	7.1%
Specialty Financing	-19.1	26.0	45.1	-
International Business	-5.9	14.0	19.9	-
Environmental Infrastructure	0.2	4.0	3.8	-
Other	-5.4	-11.0	-5.6	-
<b>EPS</b>	<b>¥38.95</b>	<b>¥571.89</b>	<b>¥532.94</b>	<b>-</b>
<b>Annual dividends</b>	<b>¥143</b>	<b>¥200</b>	<b>¥57</b>	<b>39.9%</b>
<b>Payout ratio</b>	<b>367.1%</b>	<b>35.0%</b>	<b>-332.1pt</b>	<b>-</b>

\* Net income attributable to owners of parent for fiscal 2022 included an extraordinary loss related to Russian airlines of ¥74.8 billion (decrease in net income of ¥58.0 billion)

- ✓ This page shows our results forecast for FY2023 along with our dividend forecast.
- ✓ We reiterate the forecasts we disclosed in May 2023. We aim to achieve all-time high net income of ¥70.0 billion, and an annual per-share dividend payment of ¥200.



## 2. Results by Operating Segment





## Results of Equipment Leasing

(Billions of yen)

	FY2022	FY2023	Change	% Change
	Q1 Result	Q1 Result		
Revenues	122.9	118.8	-4.1	-3%
Gross profit	9.8	9.8	-0.0	-0%
Operating income	6.7	6.8	0.1	2%
<b>Ordinary income</b>	<b>9.1</b>	<b>8.8</b>	<b>-0.3</b>	<b>-3%</b>
<b>Net income attributable to owners of parent</b>	<b>6.7</b>	<b>6.5</b>	<b>-0.2</b>	<b>-3%</b>
ROA (%) (Ordinary income / Segment assets)	2.7%	2.7%	-	
ROA (%) (Net income / Segment assets)	2.0%	2.0%	-	

	Mar. 31, 2023	Jun. 30, 2023	Change	% Change
Segment assets	1,287.1	1,273.8	-13.3	-1%

### Major factors for change

#### Ordinary income

- Decreased, due to a decline in the non-consolidated segment assets primarily affected by promoting portfolio management focused on asset efficiency, despite a trend toward improvement in profitability



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





## Results of Automobility

(Billions of yen)

	FY2022 Q1 Result	FY2023 Q1 Result	Change	% Change
Revenues	89.6	97.8	8.2	9%
Gross profit	21.2	25.3	4.1	19%
Operating income	8.2	11.8	3.6	44%
<b>Ordinary income</b>	<b>8.3</b>	<b>11.9</b>	<b>3.6</b>	<b>43%</b>
NCS	6.8	6.9	0.1	1%
NRS	0.9	4.4	3.6	402%
OAL	0.6	0.6	-0.0	-2%
Other	-0.0	-0.1	-0.0	
<b>Net income attributable to owners of parent</b>	<b>3.4</b>	<b>5.5</b>	<b>2.2</b>	<b>64%</b>
ROA (%) (Ordinary income / Segment assets)	5.4%	7.8%	2.4pt	
NCS	7.7%	8.0%	0.3pt	
NRS	8.6%	39.7%	31.1pt	
OAL	1.2%	1.1%	-0.1pt	
ROA (%) (Net income / Segment assets)	2.2%	3.6%	1.4pt	
	Mar. 31, 2023	Jun. 30, 2023	Change	% Change
Segment assets	611.6	615.1	3.6	1%

### Major factors for change

#### Ordinary income

##### ■ NCS

Increased, mainly due to replacing assets with those of projects with high profitability and contribution from gains on sales of vehicles resulting from seizing a favorable market opportunity, and flexibly selling leased vehicles whose contracts have expired in a timely manner

##### ■ NRS

Achieved a record high on a quarterly basis, due to an increase in gain on sales of vehicles, in addition to significantly improving profitability by promoting highly efficient operations

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



## Balance of Segment Assets and Transaction Volume in Automobility

Segment assets increased ¥3.6 billion from the end of the previous fiscal year

(Billions of yen)

	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Jun. 30, 2023	Change
Balance of segment assets	631.2	629.5	611.8	611.6	615.1	3.6
NCS	378.5	371.2	359.3	348.3	346.3	-2.0
Percentage	59.9%	58.9%	58.7%	57.0%	56.3%	
NRS	52.8	45.7	40.3	44.7	44.7	0.0
Percentage	8.4%	7.3%	6.6%	7.3%	7.3%	
OAL	210.7	214.0	211.7	216.5	222.1	5.6
Percentage	33.4%	34.0%	34.6%	35.4%	36.1%	
Other <sup>*1</sup>	-10.7	-1.4	0.5	2.1	1.9	-0.1
Percentage	-1.7%	-0.2%	0.1%	0.3%	0.3%	

\*1 Adjusted intercompany transactions among Automobility

(Billions of yen)

	FY2019 Result	FY2020 Result	FY2021 Result	FY2022 Result	FY2022 Q1 Result	FY2023 Q1 Result	FY2023	
							YoY Change	% Change
Transaction volume <sup>*2</sup>	224.6	193.4	177.9	181.8	40.6	50.0	9.4	23.1%
NCS	141.7	120.5	109.4	105.1	23.5	28.6	5.1	21.7%
OAL	82.9	72.9	68.5	76.8	17.1	21.4	4.3	25.0%

\*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)

	FY2022 Q1 Result	FY2023 Q1 Result	Change	% Change
Revenues	64.7	59.0	-5.7	-9%
Gross profit	24.8	13.0	-11.8	-48%
Operating income	19.7	5.3	-14.4	-73%
<b>Ordinary income</b>	<b>22.3</b>	<b>5.9</b>	<b>-16.4</b>	<b>-74%</b>
Aviation	5.2	1.4	-3.8	-73%
ACG	3.5	-0.6	-4.1	-
Others	1.7	2.0	0.3	18%
Shipping	3.5	1.3	-2.3	-65%
Real Estate	2.2	2.8	0.6	26%
Principal Investment and Others	11.3	0.4	-10.9	-96%
Gain on Sales <sup>*1</sup>	10.3	0.1	-10.2	-99%
Others	1.0	0.3	-0.7	-67%
<b>Net income attributable to owners of parent</b>	<b>-18.0</b>	<b>3.7</b>	<b>21.7</b>	<b>-</b>
ROA (%) (Ordinary income / Segment assets)	4.0%	0.9%	-3.1pt	
Aviation	1.4%	0.3%	-1.1pt	
ACG	1.1%	-	-	
Others	3.0%	3.7%	0.7pt	
Shipping	13.8%	5.5%	-8.3pt	
Real Estate	1.8%	2.0%	0.2pt	
Principal Investment and Others	53.2%	1.7%	-51.5pt	
ROA (%) (Net income / Segment assets)	-	0.6%	-	
	Mar. 31, 2023	Jun. 30, 2023	Change	% Change
Segment assets	2,490.6	2,566.1	75.5	3%

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

## Major factors for change

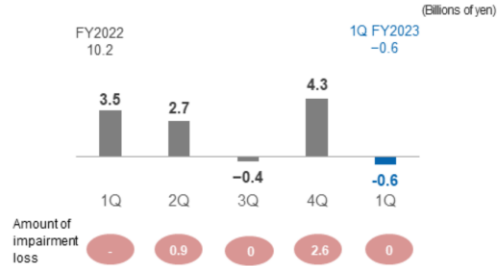
### Ordinary income

#### Aviation (ACG<sup>\*2</sup>)

Decreased, mainly due to higher interest expenses with federal funds rate hikes and a consolidated adjustment

\*2 For performance and other details of ACG, see P24

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



#### Shipping

Decreased, mainly due to a decline in gain on sales of vessels from an equity-method affiliate

#### Principal Investment and Others

Decreased, mainly due to a decline in gain on sales of operational investment securities





## Balance of Segment Assets in Specialty Financing

Segment assets increased ¥75.5 billion from the end of the previous fiscal year due to an increase in aircraft leased assets

(Billions of yen)

	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Jun. 30, 2023	Change
<b>Balance of segment assets</b>	<b>2,008.7</b>	<b>2,034.4</b>	<b>2,152.5</b>	<b>2,490.6</b>	<b>2,566.1</b>	<b>75.5</b> +15.6 <sup>*2</sup>
Aviation	1,380.8	1,363.1	1,480.8	1,737.6	1,810.2	72.7
Percentage	68.7%	67.0%	68.9%	69.8%	70.5%	+11.6 <sup>*2</sup>
Shipping	124.3	116.4	100.0	93.3	89.4	-3.9
Percentage	6.2%	5.7%	4.6%	3.7%	3.5%	+0.6 <sup>*2</sup>
Real estate	429.9	462.3	484.7	559.9	564.6	4.7
Percentage	21.4%	22.7%	22.5%	22.5%	22.0%	+2.8 <sup>*2</sup>
Principal Investment and Others <sup>*1</sup>	73.7	92.6	87.0	99.8	101.8	2.0
Percentage	3.7%	4.6%	4.0%	4.0%	4.0%	+0.6 <sup>*2</sup>

<sup>\*1</sup> Principal Investment and Others includes the principal investment amounts, factoring and others

<sup>\*2</sup> Exchange rate factors





## Results of International Business

(Billions of yen)

	FY2022	FY2023	Change	% Change
	Q1 Result	Q1 Result		
Revenues	31.5	37.3	5.8	18%
Gross profit	0.5	12.6	12.2	-
Operating income	-6.7	4.1	10.8	-
<b>Ordinary income</b>	<b>-6.6</b>	<b>4.2</b>	<b>10.8</b>	<b>-</b>
Asia	-9.4	1.6	11.0	-
USA and Europe	2.9	2.6	-0.3	-9%
CSI *	2.5	2.7	0.2	6%
Other	0.4	-0.0	-0.4	-
Other	-0.1	-0.1	0.0	-
<b>Net income attributable to owners of parent</b>	<b>-8.1</b>	<b>2.5</b>	<b>10.6</b>	<b>-</b>
ROA (%) (Ordinary income / Segment assets)	-	2.5%	-	
Asia	-	2.9%	-	
USA and Europe	3.4%	2.4%	-1.0pt	
CSI	3.8%	3.3%	-0.5pt	
Other	1.8%	-	-	
ROA (%) (Net income / Segment assets)	-	1.5%	-	
	Mar. 31, 2023	Jun. 30, 2023	Change	% Change
Segment assets	655.7	682.9	27.2	4%

### Major factors for change

#### Ordinary income

##### ■ Asia

Increased, mainly due to the dissipation of a loss on valuation of operational investment securities

##### ■ USA and Europe

Decreased, mainly due to higher funding costs of overseas subsidiaries, excluding CSI \* which posted an increase due to the impact of the exchange rate fluctuations

\* For performance and other details of CSI, see P28



## Balance of Segment Assets in International Business

Segment assets increased ¥27.2 billion from the end of the previous fiscal year due to increases in USA and Europe

(Billions of yen)

	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Jun. 30, 2023	Change
<b>Balance of segment assets</b>	<b>510.6</b>	<b>483.1</b>	<b>557.1</b>	<b>655.7</b>	<b>682.9</b>	<b>27.2</b> +8.1*
<b>Total of Asia</b>	<b>231.7</b>	<b>215.5</b>	<b>227.3</b>	<b>221.0</b>	<b>223.2</b>	<b>2.2</b> +5.3*
percentage	45.4%	44.6%	40.8%	33.7%	<b>32.7%</b>	+5.3*
<b>ASEAN</b>	<b>199.3</b>	<b>196.9</b>	<b>212.2</b>	<b>210.2</b>	<b>212.9</b>	<b>2.7</b> +5.2*
percentage	39.0%	40.7%	38.1%	32.1%	<b>31.2%</b>	+5.2*
<b>East Asia</b>	<b>32.4</b>	<b>18.7</b>	<b>15.1</b>	<b>10.8</b>	<b>10.3</b>	<b>-0.5</b> +0.1*
percentage	6.4%	3.9%	2.7%	1.6%	<b>1.5%</b>	+0.1*
<b>USA and Europe</b>	<b>278.9</b>	<b>267.6</b>	<b>329.8</b>	<b>434.6</b>	<b>459.7</b>	<b>25.1</b> +2.9*
percentage	54.6%	55.4%	59.2%	66.3%	<b>67.3%</b>	+2.9*
<b>excl. CSI non-recourse loan</b>	<b>353.9</b>	<b>335.9</b>	<b>389.4</b>	<b>440.5</b>	<b>459.2</b>	<b>18.8</b>

\* Exchange rate factors



## Results of Environmental Infrastructure

(Billions of yen)

	FY2022	FY2023	Change	% Change
	Q1 Result	Q1 Result		
Revenues	6.6	16.4	9.8	149%
Gross profit	2.8	4.4	1.6	58%
Operating income	2.4	3.8	1.4	56%
<b>Ordinary income</b>	<b>1.7</b>	<b>3.8</b>	<b>2.1</b>	<b>120%</b>
<b>Net income attributable to owners of parent</b>	<b>0.5</b>	<b>2.3</b>	<b>1.8</b>	<b>346%</b>
ROA (%) (Ordinary income / Segment assets)	4.4%	5.6%	1.2pt	
ROA (%) (Net income / Segment assets)	1.3%	3.4%	2.1pt	
	Mar. 31, 2023	Jun. 30, 2023	Change	% Change
Segment assets	277.9	270.5	-7.4	-3%

### Major factors for change

#### Ordinary income

- Increased, mainly due to the dissipation of new power plant trial run expenses recorded in the same period of the previous fiscal year, as well as the recording of revenues from a power generation business\*

\* The biomass co-firing power plant of Shunan Power Corporation started operations in September 2022



## 3. Business Topics



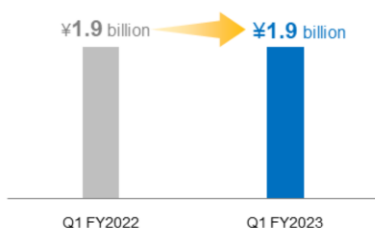
# Performance of NTT TC Leasing



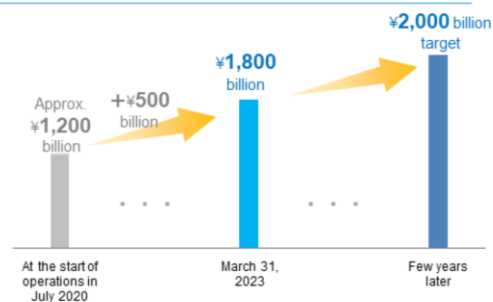
## Promoting business co-creation with NTT TC Leasing Co., Ltd. (NTL)

### Financial Results of NTT TCLeasing

<Equity in earnings of affiliates (TC)>



### Changes in Segment Assets



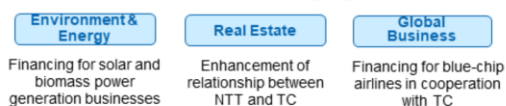
### Solid financial base of NTT TCLeasing

Credit Rating

**JCR : AAA** (Long-term issuer rating) Acquisition in October 2022

**R&I : AA+** (Issuer rating) Acquisition in December 2020

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



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



- ✓ In Q1 FY2023, equity in earnings of affiliates was ¥1.9 billion, flat from the same period of the previous fiscal year.
- ✓ Although it was on a par with a year earlier, the balance of segment assets trended steadily. It is our assessment that the recent core earnings are smoothly expanding.
- ✓ As shown at the bottom left of this slide, NTT TC Leasing is obtaining high ratings, an AAA from JCR, an AA+ from R&I and owing to the credibility of NTT. The Company possesses a solid financial base due to its low cost and ample financial strength.
- ✓ Going forward, the Company aims to deepen affiliation with the NTT Group and expands the domains of collaboration.



# Improved Profitability of Car Rental Business

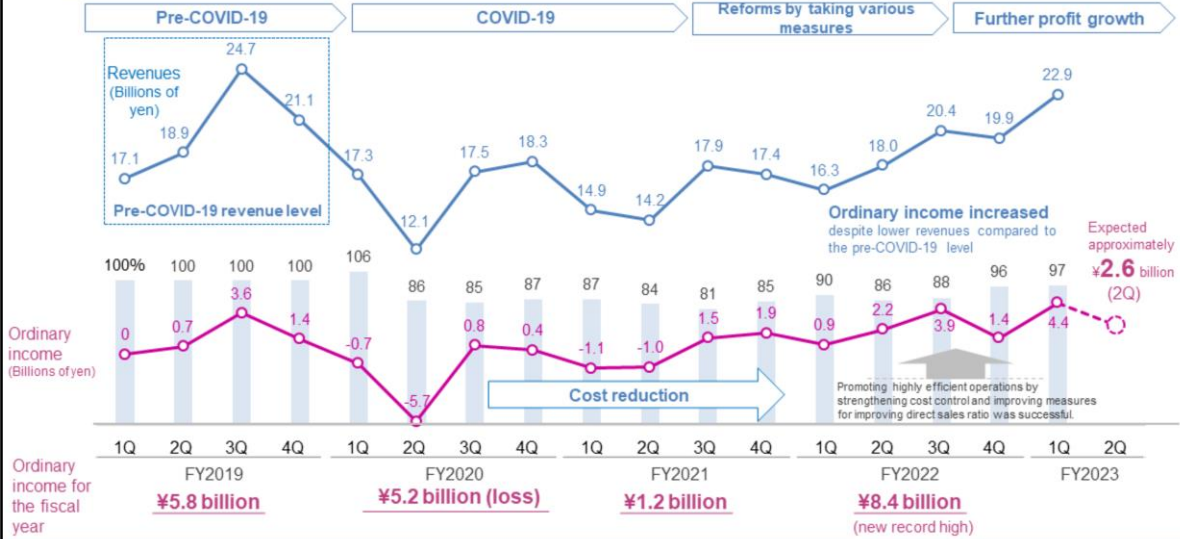


Aiming to further increase profits based on the structural reforms under the COVID-19 pandemic

## Car Rental Performance Trends (Quarterly)

Revenues Ordinary income

Index of total amount of rental cost + SG&A (Each quarter of FY2019 is set at 100, vs. the same quarter of FY2019)



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- ✓ The line graph depicts quarterly revenues (blue line) and ordinary income (pink line) trends at NRS since FY2019.
- ✓ Meanwhile, the light blue bar graph shows changes in the index for each quarter compared to FY2019, with the quarterly total of rental costs and SG&A expenses in FY2019 set at 100.
- ✓ In addition to cost control, which was strengthened during COVID-19, we fortified direct sales via the use of a smartphone app and are flexibly setting prices in line with demand. From January 2023, we have enhanced profitability by implementing various revenue improvement measures, including hiking our basic fee for rental cars.
- ✓ Q1 revenue was ¥22.9 billion, outperforming Q1 FY2019 which was the pre-COVID-19 level. This reflects an increase in benefits from revenue improvement measures and the gain on the sales of vehicles. Meanwhile, the cost ratio remained at 97%, a lower than the pre-COVID-19 level.
- ✓ Consequently, ordinary income totaled ¥4.4 billion, an increase of ¥3.6 billion year on year, due to benefit from measures to the aforementioned high-efficient operations. The ordinary income in Q1 FY2023 outperformed the peak period of Q3 in FY2022.
- ✓ In addition, NRS closes its books in December. In light of this, ordinary income for the April-June quarter, which is the second quarter, is expected to be ¥2.6 billion, an increase of ¥400 million year on year, despite a decline in gains on sales of vehicles in comparison with Q1. In 1H, we forecast ordinary income of approximately ¥7.0 billion, a growth of ¥4.0 billion.

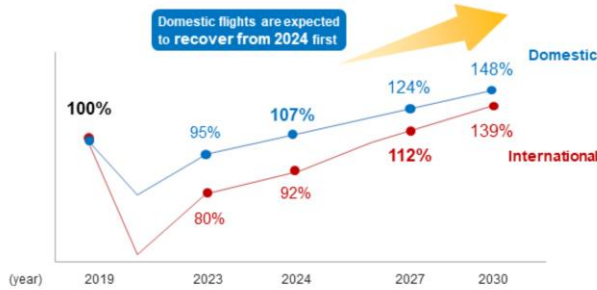


# Aviation Business 1 Aviation Market Overview

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: Prepared by TC based on International Air Transport Association (IATA) data (announced in December 2022)

Regions	Estimated Year of Recovery
North America	2023
Europe	2024
Latin America & Caribbean	2023
Asia Pacific	2024

### Geographic Recovery Trend (latest forecast)

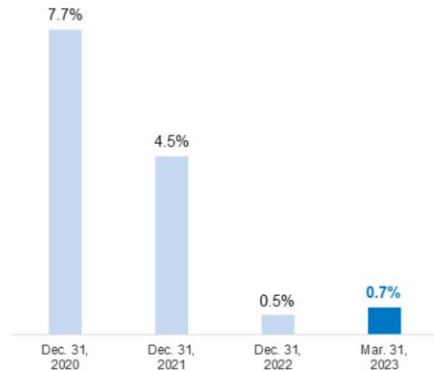
The timing of recovery to the pre-COVID-19 level will vary depending on regions. Europe and Asia are expected to recover later.

Source: Prepared by TC based on IATA data (announced in June 2023)

## 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 not subject to a signed lease or sales commitments



- ✓ First, I would like to discuss market trends. The broken-line graph on the left is the same one we used in our previous presentation materials. This is the IATA forecast for the number of travelers (air passengers) worldwide, which was announced in December 2022.
- ✓ The percentage points are relative to the pre-COVID-19 level in 2019 set at 100.
- ✓ Recent passenger demand continues to trend strongly. In 2024, it is estimated that conditions will remain the same and the market will recover to levels prior to COVID-19.
- ✓ Look at the trends by region shown below the graph.
- ✓ This is the most recent forecast by the IATA released in June 2023.
- ✓ In comparison with the information conveyed in May, the timing of recovery in North America and Europe remains the same but the timing of recovery in Latin America & the Caribbean and in the Asia Pacific regions is forecast to be earlier than previously expected.



## Aviation Business 2 ACG's Financial Performance



Income before income taxes sharply rose YoY, primarily due to the dissipation of losses related to Russia recorded in the same period of the previous fiscal year

### Financial Results (Three Months Ended March 2023)

ACG's Result		(USD million)			
	FY2022 Q1 Result	FY2023 Q1 Result	Change	% Change	
Total revenues	248	258	10	4%	
Operating lease revenue	212	233	21	10%	
Total expenses	706	244	-463	-66%	
Interest expense, net	58	96	38	66%	
Asset impairment	501	0	-500	-100%	
Write-off of Russia aircraft	389	-	-389	-	
Bad debt expense	-	-	-	-	
<b>Income/Loss before income taxes</b>	<b>-459</b>	<b>14</b>	<b>473</b>	<b>-</b>	
<b>Net Income/Loss</b>	<b>-459</b>	<b>14</b>	<b>473</b>	<b>-</b>	
ROA (%)	-	0.5%	-	-	
Numbers of new / used aircraft delivered	5	8	3	60%	
	Dec. 31, 2022	Mar. 31, 2023	Change	% Change	
Segment assets	11,297	11,589	292	3%	

#### Revenues

Increased due to steady growth in operating lease revenue as a result of the higher number of aircraft

#### Income/Loss before income taxes

Increased due to the dissipation of losses related to ACG's exposure to Russian airlines recorded in the same period of the previous fiscal year

#### Segment assets

Increased from the end of the previous fiscal year due to steady progress in the number of new and used aircraft deliveries as passenger demand recovered

ACG's Result		(Billions of yen)			
(recorded on TC's consolidated statements of income)		FY2022 Q1 Result	FY2023 Q1 Result	Change	% Change
<b>Income/Loss before income taxes</b>		-53.4	1.9	55.3	-
Consolidated adjustment *		56.9	-2.4	-59.3	-
<b>Ordinary income</b>		<b>3.5</b>	<b>-0.6</b>	<b>-4.1</b>	<b>-</b>
<b>Extraordinary Loss</b>		<b>44.4</b>	<b>-</b>	<b>-44.4</b>	<b>-</b>
Average foreign exchange rate		¥116.34	¥132.43		

\* Including transfer of extraordinary loss



- ✓ Q1 financial results for ACG (standalone) are on the left-hand side of the slide. These results were disclosed by the company in May 2023.
- ✓ Total revenues rose USD10 million, primarily to contribution from lease revenue, including aircraft orders and sale and lease back deals. However, interest expense, net rose USD38 million year on year due to federal funds rate hikes. Although impairment loss was zero, income before income taxes was only USD14 million.
- ✓ Year-on-year, income rose substantially due to the considerable decline in impairment loss, including the losses related to Russia.
- ✓ Based on these figures, the lower rows show an adjustment table of figures reflected into our consolidated financial results.
- ✓ Ordinary income on a consolidated basis after consolidated adjustments was a negative ¥600 million due in part to transient adjustment factors.
- ✓ Regarding the forecast for FY2023, although the funding cost continues to trend at a high level, we anticipate an increase in the collection of lease payments from airlines, which post revenues on a cash basis, and a rise in aircraft sales. We anticipate this will be able to offset the portion of increased costs.
- ✓ We note that the balance of segment assets increased USD292 million, ¥40.0 billion on a yen basis, from the end of the previous fiscal year, reflecting steady progress, primarily of new and used aircraft deliveries.





# Aviation Business 3 ACG's Portfolio



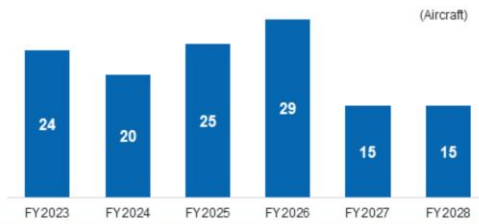
Diversified portfolio with a focus on liquid narrow-body aircraft in approximately 45 countries worldwide

## Portfolio Overview (as of March 31, 2023)

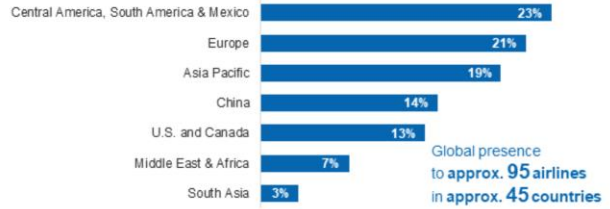
- **Weighted average fleet age: 6.0 years**
- **Narrowbody by NBV: 89 %**  
(Narrowbody by count: 97%)
- **Owned, managed and committed aircraft: 484**  
(Owned: 296 Managed: 60 Committed aircraft: 128)

## Delivery Schedule of Committed Aircraft (as of March 31, 2023)

- All orders are **new technology aircraft with higher fuel efficiency**
- Receiving many inquiries from airlines in view of rising fuel costs and decarbonization  
(Percentage of new technology aircraft in owned fleet: **39%**)

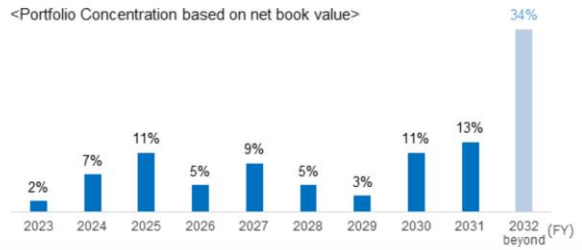


## Geographic Concentration (as of March 31, 2023)



## Portfolio Concentration by Lease Maturity (as of March 31, 2023)

<Portfolio Concentration based on net book value>





# Aviation Business 4 ACG's Capital Procurement Activities



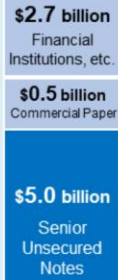
## Promoting diversification of funding sources while flexibly responding to market conditions

### Fund Procurement Strategies

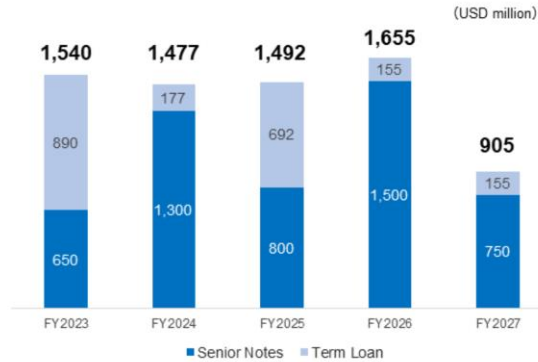
- ACG builds flexibility into its funding strategy through multiple capital sources. In addition to the issuance of senior notes in the US bond market, ACG leverages Tokyo Century's and its own relationships to borrow from financial institutions globally. This balanced funding strategy helps to reduce the cost of funds over the long term.
- ACG succeeded in expanding access to new debt financings, including term loans arranged by Japanese financial institutions, and increased the capacity of its 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 **BBB- from S&P and Baa2 from Moody's**.

<Funding structure\*>

**\$8.2 billion**



<Unsecured debt maturities through FY2027\*> (excluding commercial paper, etc.)



\* As of March 31, 2023

### Major procurement in FY2023

- Issued in April: **Senior Notes (\$600 million)**  
Maturity: 2028 Coupon Rate: 6.250%
- Issued in June: **Senior Notes (\$500 million)**  
Maturity: 2030 Coupon Rate: 6.375%
- Completed in June:  
Extended final maturity of \$2.66 billion revolver by 1-year to June 3, 2027





# 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

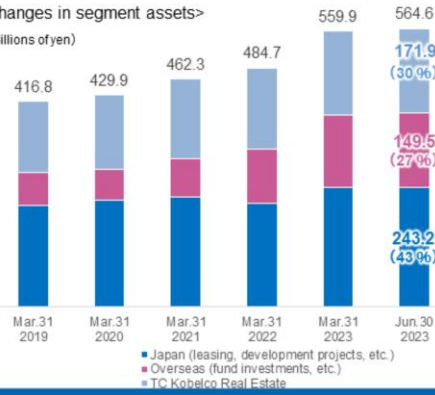
Increased segment assets are expected by steadily piling up pipelines such as a **logistics facility**

### 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



Legendary-luxury brand  
Dorchester Collection to  
open its hotel



### Uchisaiwaicho 1-chome area

South block (South Tower)  
Scheduled for completion in FY2028



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



Transaction volume grows steadily, and CSI aims for medium- to long-term sustainable growth

**Financial Results (Three Months Ended March 31, 2023)**

(USD million)

	FY2022 Q1 Result	FY2023 Q1 Result	YoY Change	% YoY Change
Revenues	179	196	17	10%
Gross profit	82	90	8	10%
<b>Ordinary income</b>	<b>24</b>	<b>22</b>	<b>-2</b>	<b>-6%</b>
<b>Net income</b>	<b>16</b>	<b>15</b>	<b>-1</b>	<b>-9%</b>

ROA (%) *1	4.4%	3.7%	-0.7pt	
RORA (%) *1, 2	14.6%	12.3%	-2.3pt	
Transaction volume	317	399	83	26%

	Dec. 31, 2022	Mar. 31, 2023	YoY Change	%YoY Change
Segment assets	2,318	2,411	93	4%

\*1 Ordinary income base \*2 ROA after deducting non-recourse loan

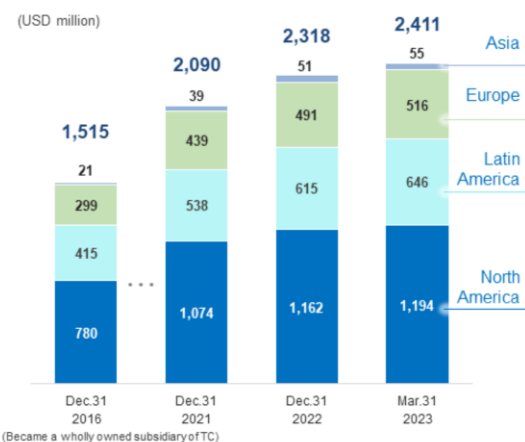
**Major Factors for Change**

- Lease income remained strong as segment assets accumulated
- Ordinary income declined due to a decrease in secondary lease income
- Projects for global enterprises grew, and transaction volume steadily increased due in part to large-amount transactions

**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**

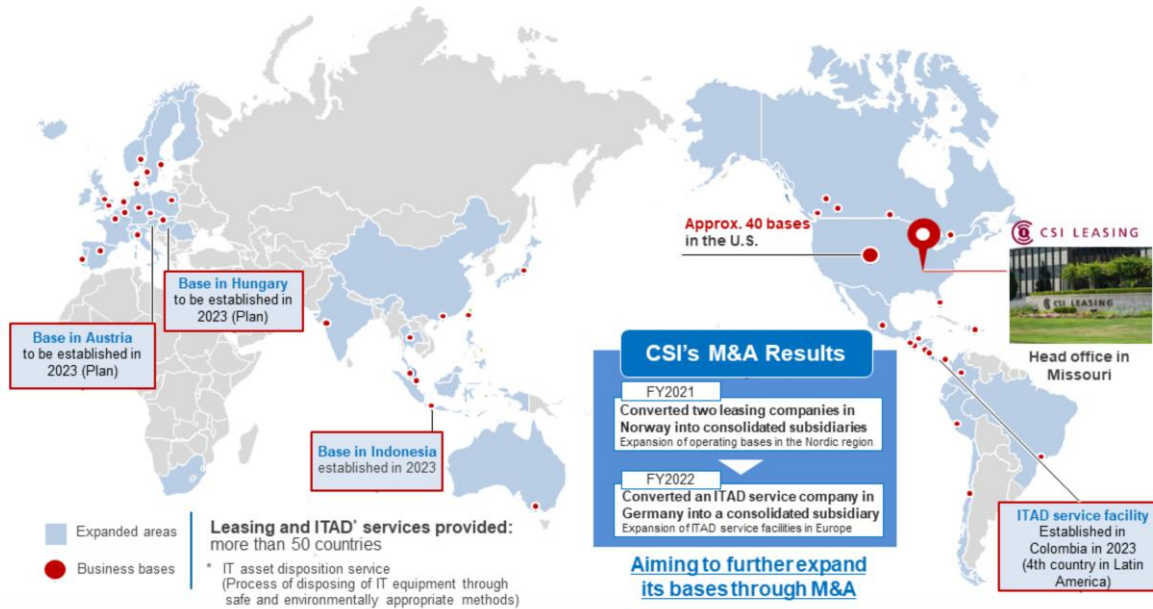


- ✓ Ordinary income in Q1 FY2023 at CSI amounted to USD22 million, a decline of USD2 million compared to the same period of the previous fiscal year, mainly attributable to a decrease in secondary lease income.
- ✓ As stated on page 17, consolidated income denominated in yen increased reflecting a depreciation in the value of the yen against the USD.
- ✓ This reflects a decline in the execution of new transactions due to a sluggish supply chain during COVID-19 from FY2020 to FY2021.
- ✓ In FY2023, we are experiencing a lull due to the expiration of contracts for assets entered into during the abovementioned period. We estimate that these expirations which are a source for secondary income will result in weakness throughout the year.
- ✓ The contract amount in part reflects a large-scale transaction in North America but there was growth in all regions.
- ✓ Accordingly, in tandem with a build-up of segment assets, which is a source of profits, core earnings power is steadily expanding. We continue to anticipate sustainable growth in the medium-to-long term.

## CSI's Global Strategies



Developing its global network for facilities providing ITAD services that are growing in demand in addition to expanding operating bases



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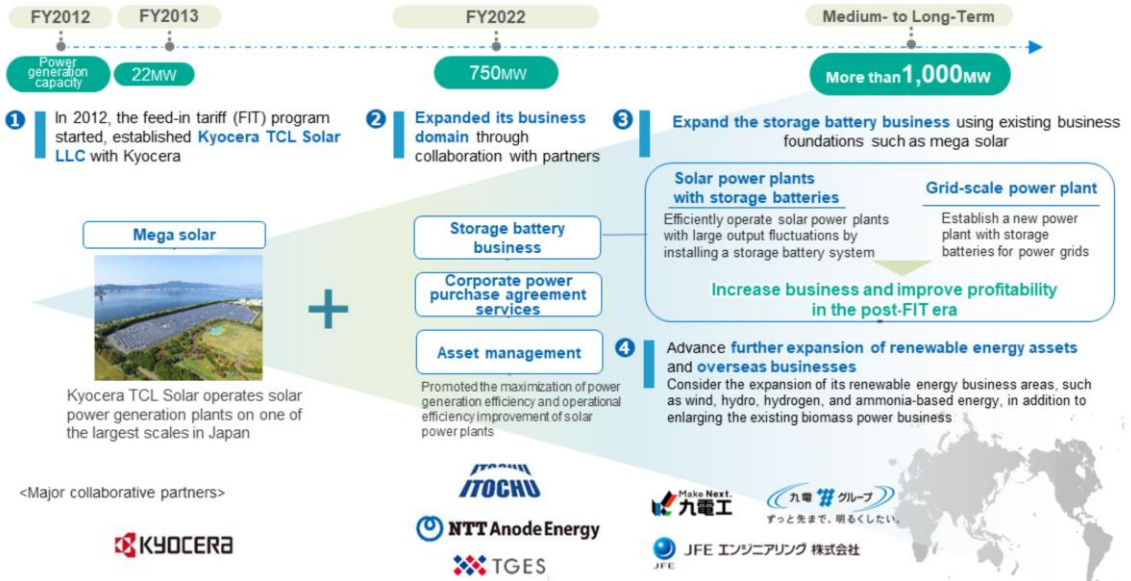


- ✓ CSI is actively moving forward with global development while utilizing M&As. Networks are steadily expanding in northern Europe and Asia.
- ✓ In addition, we are promoting IT asset disposition (ITAD) services, which carry out the safe and proper disposal of used IT equipment. We are working on further expanding our network based on the following results, including acquiring an ITAD service company in Germany and newly establishing ITAD service facilities.



# Development of Environment-Related Businesses

Pursuing further expansion of renewable energy businesses based on collaboration with partner companies





## Strengthening of Sales Capabilities and Corporate Value Improvement of OAL and OBL

### Change its shareholding ratio in two joint ventures with Orient Corporation (Orico)

For Orico Auto Leasing Co., Ltd. (OAL) and Orico Business Leasing Co., Ltd. (OBL) to further **strengthen sales capabilities** and **improve corporate value**, TC and Orico will change their respective shareholding ratios in OAL and OBL

OAL and OBL will change from consolidated subsidiaries into equity-method affiliates of TC

<Shareholding ratio>

	Before change (Subsidiaries)		After change (Equity-method affiliates*)	
	TC	Orico	TC	Orico
<b>OAL</b>	50%	50%	34%	66%
<b>OBL</b>	50%	50%	20%	80%

\* Plan to change on September 29, 2023



- ✓ Lastly, I will mention the partner companies collaborating with Orient Corporation (Orico), our business partner. I will explain the change in our shareholding ratios in Orico Auto Leasing Co., Ltd. (OAL) and Orico Business Leasing Co., Ltd. (OBL), which were subsidiaries prior to this change in shareholding ratio.
- ✓ OAL, established in 2008, is an auto leasing company providing services for individuals. Meanwhile, OBL, established in 2015, is a small-lot vendor lease company.
- ✓ Orico in charge of handling sales, screening and guarantees for both companies. We provide our lease knowhow. By mutually leveraging our expertise, we realized a smooth expansion in business from the time of establishment.
- ✓ Going forward, both companies aim to further enhance their sales capabilities and improve their corporate value. We determined that it is essential to strengthen collaboration with these companies, as subsidiaries of Orico. Consequently, we determined to lower our shareholding ratio in OAL to 34%, down by 16%, and OBL to 20%, by 30%, respectively.
- ✓ Consequently, OAL and OBL have become our equity-method affiliates, rather than consolidated subsidiaries. The balance of segment assets declines approximately ¥200.0 billion. With regard to net income, the shareholding ratio is the only component that decreases. This will contribute to an improvement in ROA on a net income basis. We plan to shift these assets to growth domains going forward.
- ✓ In addition, as a shareholder of OAL and OBL, we aim to continue to support these businesses and also plan to promote co-creative businesses with Orico, our business partner.
- ✓ Our performance in Q1 FY2023 progressed in line with the plans set at the start of the fiscal year. I believe we are off to a reasonable start given that it is the Q1 of the first fiscal year of the Medium-Term Management Plan 2027.
- ✓ To ensure we achieve the goals in the first fiscal year of our Medium-Term Management Plan 2027, we are undertaking measures to make sure nothing is passed over.



## 4. Collaboration with the NTT Group



# Status of Business Collaboration with the NTT Group



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

Timeline: 2005 — 2020 — 2021 — 2022

**Started Collaboration with NTT**

**Auto leasing**

- NTT Auto Leasing and Century Auto Leasing integrated operations
- Promoting EV100, which aims to convert 100% of the NTT Group's vehicles to EVs by 2030

<Shareholding Ratio>  
NTT 40.5%  
TC 59.5%

**Leasing and finance**

- Established a joint venture, which is engaged in leasing and finance businesses
- Expand business collaboration with Equipment Leasing in co-creation projects
- See P21 for details

<Shareholding Ratio>  
NTT 40%  
TC 50%  
NTT Finance 10%

**Environment and energy**

- Jointly operate solar power plants
- Established an investment fund for renewable energy businesses

**Investment fund for renewable energy businesses**

<Shareholding Ratio>  
NTT Anode Energy 47.5%  
TC 47.5%  
Sumitomo Mitsui Trust Bank 5.0%

**Data center**

- Started collaboration with NTT Global Data Centers Corporation (NTT GDC) in India

1st project  
**Mumbai8**  
<Shareholding Ratio>  
NTT GDC 25%  
TC 75%

2nd project  
**NAV2**  
<Shareholding Ratio>  
NTT GDC 40%  
JICT\* 30%  
TC 30%

**Real estate**

- Conducted a building lease for the new market facility in the redevelopment project of the public local wholesale market in Toyama City

**Collaboration with CSI**

- Support expansion of NTT's overseas business by using CSI's global network

\* Fund Corporation for the Overseas Development of Japan's ICT and Postal Services Inc.





## 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)
<ul style="list-style-type: none"> <li><b>Contribution to decarbonized society</b> Contribute to widespread use of clean energy through climate change response and environmental efforts</li> </ul>	<ul style="list-style-type: none"> <li>- Reduction of office electricity use (including gasoline and paper use)</li> <li>- Contribution to reducing CO<sub>2</sub> emissions through solar power generation businesses</li> <li>- Rate of electrified vehicle use (EVs, FCEVs, PHEVs, HVs)</li> <li>- Rate of fuel-efficient aircraft use</li> <li>- Projected aggregate greenhouse gas emissions reductions from Joint Crediting Mechanism (JCM) Model Projects</li> </ul>
<ul style="list-style-type: none"> <li><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</li> </ul>	<ul style="list-style-type: none"> <li>- Maintained certification of Digital Transformation (DX) Certification system under the Ministry of Economy, Trade and Industry (METI)</li> </ul>
<ul style="list-style-type: none"> <li><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</li> </ul>	<ul style="list-style-type: none"> <li>- Number of vehicles equipped with telematics services and promotion of safe driving lessons conducted using the services</li> <li>- Ratio of rental cars equipped with safety features (automated brakes, etc.)</li> </ul>
<ul style="list-style-type: none"> <li><b>Sustainable resource use</b> Contribute to development of a circular economy focused on the value of assets</li> </ul>	<ul style="list-style-type: none"> <li>- Promotion of refurbishment business</li> <li>- ITAD data erasure services (CSI Leasing subsidiary Executive Personal Computers, Inc.)</li> <li>- Promotion of car rental services (NRS)</li> </ul>
<ul style="list-style-type: none"> <li><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</li> </ul>	<ul style="list-style-type: none"> <li>- Average monthly overtime hours</li> <li>- Annual paid leave acquisition rate / Childcare leave acquisition rate</li> <li>- Ratio of women among new graduates, in section leader positions and management positions</li> <li>- Rate of employees undergoing regular health check-ups / Rate of employees undergoing stress checks</li> <li>- Number of employees relocated through Career Challenge Program, etc.</li> </ul>
<ul style="list-style-type: none"> <li><b>Shared platform</b></li> </ul>	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**



Advance business that contributes to a decarbonized society through investment in a forestry fund

## Investment in Forestry Fund sourced by Sumitomo Forestry Group

Acquire **carbon credits** from the fund and promote **to create new services** in five operating segments



Leasing and services



Auto business



Aviation  
Shipping  
Real estate etc.



IT equipment  
leasing  
Auto business



Renewable energy  
Green Transition

In addition to the contribution to initiatives for net-zero carbon emissions by the TC Group,

**seek to incorporate the needs of partner companies and customers aiming at carbon neutrality**



<Participation companies>

**SUMITOMO FORESTRY**  
**Tokyo Century**  
(Other 8 Japanese companies)

Investment

Distributions

Investment companies can select

**carbon credits**

as distributions

### Forestry Fund

Pooled capital: Approx. ¥60 billion

Target areas: US, Canada, and Latin America

Period over which fund will be invested: 15 years (plan)

By practicing sustainable forest management, **produce and trade high-integrity carbon credits**

Points

- Carbon sequestration and fixation
- Conservation of biodiversity
- Preservation of water resources

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



**Point**

**<Challenges>**  
**Strategic actions for achieving carbon neutrality taken at the biomass co-firing power plant in light of operating environment**

- In consideration of the projected increase in the biomass co-firing ratio and the anticipated use of next-generation technologies, including ammonia co-firing, the Group established the "Transition Roadmap for Achieving Carbon Neutrality by 2040," which is aimed at reducing GHG emissions by 50% by fiscal 2030 and achieving carbon neutrality by fiscal 2040.

(Please see more details in the transition roadmap on the Company's website titled "Transition Roadmap for the Shunan Power Corporation Power Plant in Shunan City, Yamaguchi Prefecture")

# Renewable Energy Generation Capacity

E: Environmental

S: Social

G: Governance

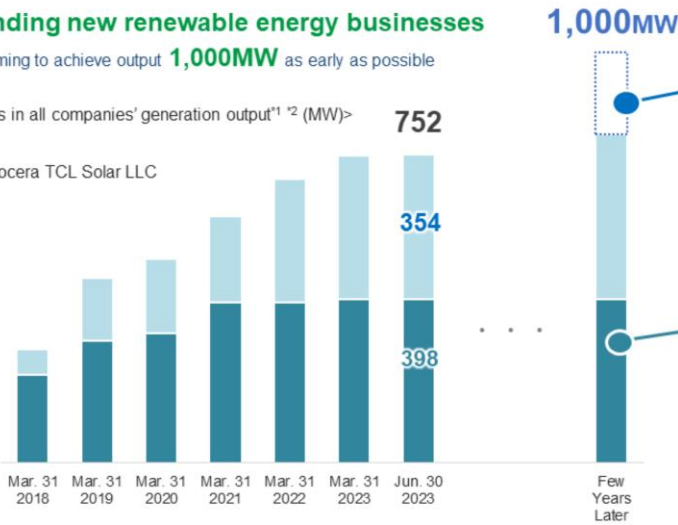
Expand new renewable energy businesses by all the companies in addition to reinforcing solar power generation businesses

## Expanding new renewable energy businesses

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

<Changes in all companies' generation output\*<sup>1</sup> \*<sup>2</sup> (MW)>

■ Kyocera TCL Solar LLC



### Medium- to long-term investment areas

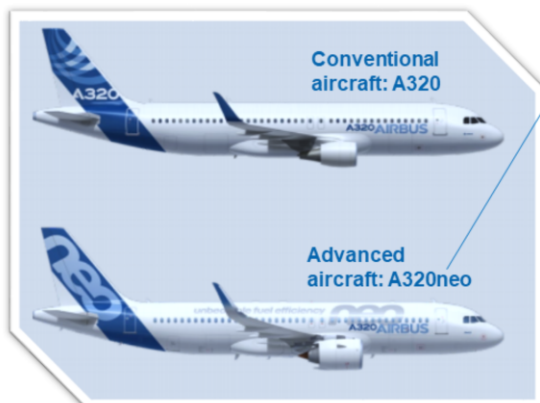
- Solar power
- Biomass power
- Other renewable energy businesses (storage battery and overseas businesses)

Expanded power generation capacity by developing solar power plants in **89 locations in Japan** (as of June 30, 2023) through collaboration with Kyocera

\*<sup>1</sup> Excludes solar panel leasing and financing; output value proportionate to ownership ratio of under-operation projects (subsidiaries counted as 100%)  
 \*<sup>2</sup> The sum of generation capacity figures for Equipment Leasing and Environmental Infrastructure in which power generation businesses are operated



## 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**

\*1 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  
 \*2 Facility utilization rate is 12%



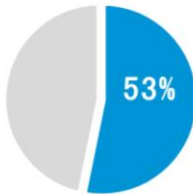
Enhance human resources to support growth over the next 10 years

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 2023

Ratio of women (non-consolidated)

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



TC Biz Challenge (New Business Proposal Project)

Actively support employees' own career development

⇒ Design individuals' career they pursue

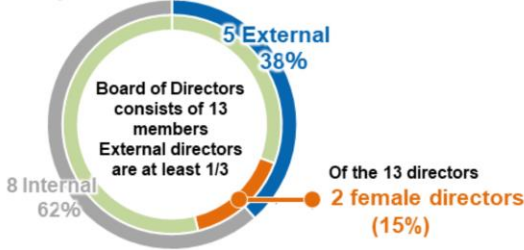
	FY2020	FY2021	FY2022
Employees who relocated to their desired divisions	14	13	18
Application	19	20	24
Open recruitment	47	75	73

## 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 a review of aspects such as the effectiveness of the Board of Directors' supervisory functions, the status of deliberations, structure, and operating methods
- The details of effectiveness evaluation were stated in the corporate governance report and disclosed

#### <Major issues for the Board of Directors in FY2022>

- Aiming to facilitate medium- to long-term, in-depth deliberations on the overall composition of and what it should be of the business portfolio, including allocation of management resources through free discussions and other methods

### Officer Compensation\*



#### Fixed Compensation

Determined based on comprehensive consideration of duties, roles, and responsibilities

#### Performance-Based Compensation

Distributed according to achievements and performance

- ✓ Aiming for healthy incentives to contribute to the ongoing growth of TC and frameworks for linking compensation to the medium- to long-term development of its businesses

\* Officer compensation for internal directors

## 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/>

### ■ IR Library

<https://www.tokyocentury.co.jp/en/ir/library/2023.html>

### ■ Integrated Report

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

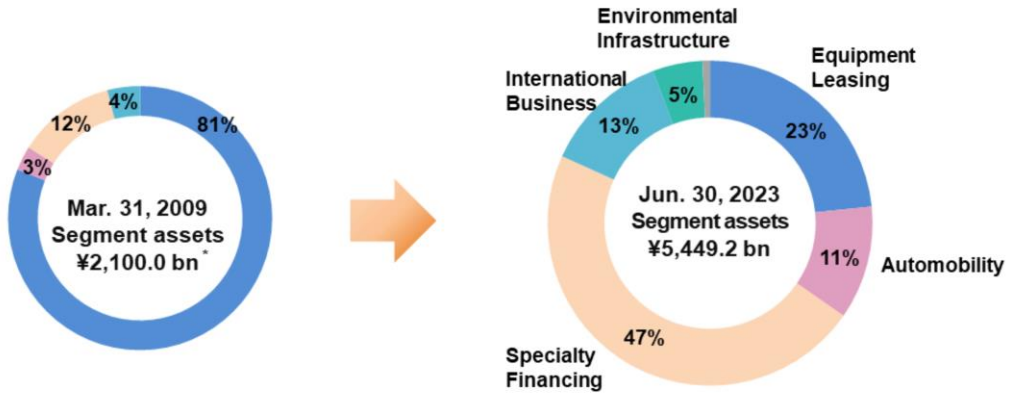


## 6. Appendix

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## Transition of Business Portfolio

High profitability segments, such as Automobility, 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  
 Net income attributable to owners of parent ¥10.0 billion

\* The simple sum of the previous two companies immediately before merger

**FY2023 Forecast**  
 Ordinary income ¥110.0 billion  
 Net income attributable to owners of parent ¥70.0 billion

## Credit Ratings

The long-term issuer rating and other ratings obtained from JCR and R&I were upgraded by one notch in June 2023

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

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

# Statement of Income

(Billions of yen)

	#	FY2022 Q1 Result	FY2023 Q1 Result	Change	%Change
Revenues	1	315.1	329.0	13.8	4.4%
Costs	2	256.8	264.8	8.0	3.1%
Funding cost	3	12.7	21.9	9.3	72.9%
Gross profit	4	58.3	64.2	5.9	10.1%
SG&A expenses	5	31.4	36.0	4.6	14.5%
Personnel expenses	6	18.0	19.2	1.2	6.5%
Non-personnel expenses	7	13.2	14.7	1.5	11.4%
Credit costs	8	0.2	2.1	1.9	-
Operating income	9	26.9	28.2	1.3	4.9%
Non-operating income and losses	10	5.1	3.5	-1.5	-30.3%
<b>Ordinary income</b>	<b>11</b>	<b>32.0</b>	<b>31.8</b>	<b>-0.2</b>	<b>-0.7%</b>
Extraordinary income and losses	12	-44.5	0.5	45.1	-
Income before income taxes	13	-12.6	32.3	44.9	-
Income taxes	14	3.5	10.4	6.9	194.0%
Net income	15	-16.1	21.9	38.0	-
Net income attributable to non-controlling interests	16	3.4	3.7	0.3	8.0%
<b>Net income attributable to owners of parent</b>	<b>17</b>	<b>-19.5</b>	<b>18.2</b>	<b>37.7</b>	<b>-</b>

## Major Factors for Change

### ■ Gross profit

Increased mainly in International Business and Automobility

### ■ SG&A expenses

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

### ■ Non-operating income and losses

Decreased mainly due to a decline in equity in earnings of affiliates

### ■ Ordinary income

Remained flat mainly due to a decrease in gain on sales in Specialty Financing, despite the recovery of International Business

### ■ Net income attributable to owners of parent

Increased mainly due to the dissipation of a ¥44.4 billion impairment loss of leased aircraft to Russian airlines, which was recorded as extraordinary losses in the same period of the previous fiscal year

## Balance Sheet

(Billions of yen)

	#	Mar. 31, 2023	Jun. 30, 2023	Change	%Change
<b>Total assets</b>	<b>1</b>	<b>6,082.1</b>	<b>6,151.8</b>	<b>69.7</b>	<b>1.1%</b>
Current assets	2	2,996.8	2,995.5	-1.3	-0.0%
Non-current assets, etc.	3	3,085.3	3,156.3	71.0	2.3%
Leased assets	4	2,232.5	2,303.3	70.8	3.2%
Leased assets advance payment	5	81.1	63.6	-17.5	-21.6%
Other operating assets	6	215.0	213.2	-1.8	-0.8%
Investment securities	7	325.7	339.3	13.6	4.2%
Others	8	231.0	236.8	5.8	2.5%
<b>Total liabilities</b>	<b>9</b>	<b>5,193.1</b>	<b>5,248.5</b>	<b>55.3</b>	<b>1.1%</b>
Current liabilities	10	2,106.2	2,176.9	70.7	3.4%
Long-term liabilities	11	3,086.9	3,071.6	-15.4	-0.5%
<b>Total net assets</b>	<b>12</b>	<b>889.0</b>	<b>903.3</b>	<b>14.3</b>	<b>1.6%</b>
Shareholders' equity	13	761.6	775.6	14.0	1.8%
Non-controlling interests, etc.	14	127.4	127.8	0.4	0.3%

### Major Factors for Change

#### ■ Non-current assets, etc.

Leased assets  
Increased mainly due to the acquisition of aircraft leased assets of ACG



## Interest-Bearing Debt

(Billions of yen)

	#	Mar.31, 2022	Mar. 31, 2023	Jun. 30, 2023	Change	%Change
<b>Interest-bearing debt</b>	<b>1</b>	<b>4,247.4</b>	<b>4,514.7</b>	<b>4,635.8</b>	<b>121.2</b>	<b>2.7%</b>
Commercial papers	2	371.5	352.3	476.1	123.8	35.1%
Japanese yen	3	289.6	271.7	410.7	139.0	51.2%
Foreign currency	4	81.9	80.6	65.4	-15.2	-18.9%
Corporate bonds	5	1,000.1	1,052.7	1,065.2	12.6	1.2%
Japanese yen	6	401.5	372.6	382.5	10.0	2.7%
Foreign currency	7	598.6	680.1	682.7	2.6	0.4%
Securitized lease assets	8	31.4	25.8	24.3	-1.5	-5.8%
Borrowings	9	2,844.4	3,083.9	3,070.2	-13.7	-0.4%
Japanese yen	10	1,941.4	1,958.5	1,872.3	-86.2	-4.4%
Foreign currency	11	903.0	1,125.4	1,197.9	72.5	6.4%
Direct funding ratio	12	33.0%	31.7%	33.8%	2.1pt	
Long-term funding ratio	13	84.5%	85.7%	83.2%	-2.5pt	

### Major Factors for Change

#### ■ Interest-bearing debt

Increased mainly in commercial papers (JPY)

	#	FY2021 Q1 Result	FY2022 Q1 Result	FY2023 Q1 Result	Change	%Change
Funding cost	14	11.9	12.7	21.9	9.3	72.9%
<b>Funding cost ratio*</b>	<b>15</b>	<b>1.10%</b>	<b>1.18%</b>	<b>1.92%</b>	<b>0.74pt</b>	

(Change of funding cost by fiscal year)

	#	FY2021 Result	FY2022 Result	Change	%Change
Funding cost	16	47.9	67.7	19.7	41.2%
<b>Funding cost ratio*</b>	<b>17</b>	<b>1.12%</b>	<b>1.55%</b>	<b>0.43pt</b>	

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

### Status of top-tier fund procurement initiatives related to the SDGs and ESG in Japan

Actively promoted fund procurement related to the SDGs and ESG, such as positive impact finance, in connection with advancing materiality initiatives based on the SDGs. As a result, TC's total amount was **¥453.8 billion, the top level in Japan** (As of June 30, 2023)

## Quarterly Changes in Results by Subsidiary in Automobility

### NCS and NRS posted their highest profits for the first quarter

		FY 2022					FY 2023		
		Q1	Q2	Q3	Q4	Total (Annual)	Q1	Change (YoY)	Change (YTD)
Revenues (Billions of yen) <sup>*2</sup>	NCS	54.0	49.2	47.4	46.9	197.5	54.3	0.2	
	NRS <sup>*1</sup>	16.3	18.0	20.4	19.9	74.6	22.9	6.6	
	OAL	20.8	22.2	22.4	23.1	88.5	22.3	1.5	
	<b>Total</b>	<b>91.2</b>	<b>89.4</b>	<b>90.2</b>	<b>89.9</b>	<b>360.6</b>	<b>99.5</b>	<b>8.3</b>	
Ordinary income (Billions of yen)	NCS	6.8	5.0	2.2	2.4	16.5	6.9	0.1	
	NRS	0.9	2.2	3.9	1.4	8.4	4.4	3.6	
	OAL	0.6	0.5	0.7	1.4	3.3	0.6	-0.0	
	Other	-0.0	-0.0	-0.1	-0.1	-0.2	-0.1	-0.0	
	<b>Total</b>	<b>8.3</b>	<b>7.7</b>	<b>6.8</b>	<b>5.2</b>	<b>28.0</b>	<b>11.9</b>	<b>3.6</b>	
Balance of segment assets (Billions of yen)	NCS	351.8	348.3	345.7	348.3		346.3	-5.5	-2.0
	NRS	41.7	41.5	49.3	44.7		44.7	3.0	0.0
	OAL	214.2	215.0	218.4	216.5		222.1	7.9	5.6
	Other <sup>*3</sup>	2.4	2.2	2.1	2.1		1.9	-0.5	-0.1
	<b>Total</b>	<b>610.1</b>	<b>607.0</b>	<b>615.5</b>	<b>611.6</b>		<b>615.1</b>	<b>5.0</b>	<b>3.6</b>
Number of vehicles (Thousand)	NCS	673	679	680	683		687	14	4
	NRS	44	49	44	44		46	2	2
	OAL	172	173	175	178		180	8	2
	Duplication adjustment	-176	-177	-179	-182		-184	-8	-2
	<b>Total</b>	<b>713</b>	<b>724</b>	<b>720</b>	<b>724</b>		<b>729</b>	<b>16</b>	<b>6</b>

\*1 Fiscal period of NRS ends in December

\*2 Revenues = Simple sum of three companies

\*3 Intercompany adjustment within the companies in Automobility

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

Core earnings in the Automobility segment increased due to contributions from NRS

(Billions of yen)

	FY2022					FY2023		Change
	Q1	Q2	Q3	Q4	Total (Annual)	Q1		
<b>Equipment Leasing</b>	9.1	8.2	6.8	7.7	31.7	8.8	-0.3	
Core earnings	9.2	8.0	6.9	7.8	31.9	8.7	-0.5	
Gain on sales *1	-	-	-	-	-	-	-	
Impairment, bad debt, etc. *2	-0.2	0.2	-0.1	-0.1	-0.2	0.0	0.2	
<b>Automobility</b>	8.3	7.7	6.8	5.2	28.0	11.9	3.6	
Core earnings	8.3	7.8	6.5	5.0	27.6	11.9	3.6	
Gain on sales	-	-	-	-	-	-	-	
Impairment, bad debt, etc.	-0.0	-0.1	0.3	0.1	0.3	0.0	0.0	
<b>Specialty Financing</b>	22.3	12.1	11.5	11.1	57.0	5.9	-16.4	
Core earnings	10.1	12.0	7.2	8.6	37.9	7.9	-2.2	
Gain on sales	12.2	1.0	4.5	4.7	22.4	0.1	-12.1	
Impairment, bad debt, etc.	-0.0	-0.9	-0.1	-2.3	-3.3	-2.1	-2.1	
<b>International Business</b>	-6.6	-1.1	2.8	4.0	-0.9	4.2	10.8	
Core earnings	4.9	4.9	3.5	3.6	17.0	4.3	-0.6	
Gain on sales	-	-	-	0.9	0.9	-	-	
Impairment, bad debt, etc.	-11.5	-6.0	-0.8	-0.6	-18.9	-0.1	11.4	
<b>Environmental Infrastructure</b>	1.7	0.8	-1.0	-1.1	0.4	3.8	2.1	
Core earnings	1.7	0.8	1.0	1.4	5.0	3.7	2.0	
Gain on sales	-	-	-	-	-	-	-	
Impairment, bad debt, etc.	-	-	-2.1	-2.5	-4.6	0.1	0.1	
<b>Other</b>	-2.8	-3.9	-0.0	-3.2	-10.0	-2.8	0.0	
Core earnings	-2.9	-3.8	-4.2	-3.3	-14.1	-2.8	0.0	
Gain on sales	-	-	-	-	-	-	-	
Impairment, bad debt, etc.	0.0	-0.1	4.1	0.1	4.2	-0.0	-0.0	
<b>Total</b>	<b>32.0</b>	<b>23.9</b>	<b>26.7</b>	<b>23.6</b>	<b>106.2</b>	<b>31.8</b>	<b>-0.2</b>	
Core earnings	31.5	29.7	21.0	23.2	105.4	33.8	2.3	
Gain on sales	12.2	1.0	4.5	5.7	23.4	0.1	-12.1	
Impairment, bad debt, etc.	-11.7	-6.9	1.3	-5.2	-22.5	-2.1	9.6	

\*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	Shareholders	
			Tokyo Century	
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%
TC Tsukishima 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%
NX-TC 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%
IBeeT Corporation	* Equipment Leasing	Subscription services for decentralized power supplies and related equipment	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.	Automobility	Auto leasing	59.5%	NTT: 40.5%
Nippon Rent-A-Car Service, Inc.	Automobility	Car rental	88.6%	ANA Holdings: 11.4%
Orico Auto Leasing Co., Ltd.	Automobility	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 Karuizawa Co., Ltd.	Specialty Financing	Hotel business	100%	
TC Hotels & Resorts Beppu Co., Ltd.	Specialty Financing	Hotel business	100%	
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%
Kyocera TCL Solar LLC	Environmental Infrastructure	Electricity generation business	81%	Kyocera: 19%
TCLA Godo Kaisha	Environmental Infrastructure	General leasing	100%	
Shunan Power Corporation	Environmental Infrastructure	Electricity generation business	60%	Tokuyama: 20%, Marubeni Clean Power: 20%
A&Tm Corporation	Environmental Infrastructure	Maintenance and management of power plant business	51%	Tokyo Gas Engineering Solutions Corporation: 39%, KYOCERA Communication Systems Co., Ltd.: 10%
BOT Lease Co., Ltd.	* Other	General leasing and finance	25%	MUFG: 27.7%, The Norinchukin 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%	ITO CHU 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%
Taiwan	Suzhou New District Furu Leasing Co., Ltd.	* International Business	Finance and general leasing	15.8%	Suzhou government-affiliated companies: 80.2%
	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%	
Malaysia	Tokyo Century Asia Pte. Ltd.	International Business	Investment, shareholding, and ancillary business	100%	
	Tokyo Century Capital (Malaysia) Sdn. Bhd.	International Business	General leasing	100%	
Thailand	TISCO Tokyo Leasing Co., Ltd.	International Business	General leasing	49%	TISCO Financial Group: 49%
	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%	
Indonesia	PT. Tokyo Century Indonesia	International Business	General leasing	85%	Lippo Group: 15%
	PT. Hexa Finance Indonesia	* International Business	Construction machinery finance	20%	ITO CHU 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%
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%	ITO CHU 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



**Public Relations &  
Investor Relations Division**

Tel : +81-3-5209-6710

Web site: <https://www.tokyocentury.co.jp/en/>