

Consolidated Financial Results

For the Six Months of Fiscal Year Ending March 31, 2024



1. Financial Highlights

Financial Highlights	4
Breakdown of YoY Changes in Net Income (Loss)	5
Net Income & ROA by Operating Segment	6
Ordinary Income & ROA by Operating Segment	7
Breakdown of Ordinary Income (Core earnings, gain on sales, impairment, etc.)	8
Balance of Segment Assets by Operating Segment	9

2. Equipment Leasing

Results of Equipment Leasing	11
Performance of NTT TC Leasing	12
Expansion of ITAD Services in Japan	13

3. Automobility

Results of Automobility	15
Improved Profitability of Car Rental Business	16

4. Specialty Financing

Results of Specialty Financing	18
Aviation Business 1 ACG's Financial Performance	19
Aviation Business 1-2 ACG's Financial Performance	20
Aviation Business 2 Aviation Market Trends and ACG's Earnings Power Changes	21
Aviation Business 3 ACG's Capital Procurement Activities	22
Aviation Business 4 ACG's Portfolio	23
Real Estate Business Portfolio Strategy	24

5. International Business

Results of International Business	26
CSI's Performance	27
CSI's Global Strategies	28

6. Environmental Infrastructure

Results of Environmental Infrastructure	30
Development of Environment-Related Businesses	31

7. Collaboration with the NTT Group

Status of Business Collaboration with the NTT Group	33
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8. TC Transformation

TC Transformation	35
ROA (Ratio of Net Income to Total Assets)	36
Renewable Energy Generation Capacity	37
Overseas Business Development Approach of Environment-Related Businesses	38
Cultivation of Digitally Proficient Human Resources	39
Promotion of Digital Transformation	40
Transformation of Human Resource and Organization	41

9. Promotion of Sustainability Management

Materiality and Main KPIs	43
External Evaluation: Inclusion in Global Indices	44
Corporate Governance	45

10. Highlights of Medium-Term Management Plan 2027

Management Targets	47
Financial and Non-financial Targets	
Balance Sheet Management	48
Financial Strategies Shareholder Returns (Dividend) Policy	49

11. Appendix

Transition of Business Portfolio	51
Credit Ratings	52
Statement of Income	53
Balance Sheet	54
Interest-Bearing Debt	55
Quarterly Changes in Results by Subsidiary and Affiliate in Automobility	56
Balance of Segment Assets and Transaction Volume in Automobility	57
Balance of Segment Assets in Specialty Financing	58
Balance of Segment Assets in International Business	59
Breakdown of Ordinary Income by Operating Segment (Core earnings, gain on sales, impairment, etc.)	60
Major Group Companies (Domestic)	61
Major Group Companies (Overseas)	62



1. Financial Highlights

Financial Highlights

Ordinary income of ¥59.2 billion and net income of ¥35.6 billion were the highest ever recorded for the second quarter

(Billions of yen)

	FY2022 Q2 Result	FY2023 Q2 Result	Change	% Change
Revenues	626.5	685.5	59.0	9.4%
Operating income	49.4	53.1	3.7	7.6%
Ordinary income	55.8	59.2	3.4	6.1%
Net income (loss) attributable to owners of parent	-6.3	35.6	41.9	-
ROA (Net income / Total assets)	-	1.2%	-	-
ROE (Net income / Shareholders' equity)	-	8.7%	-	-

FY2023 Forecast	
Announced on May 12, 2023	% Progress
-	-
110.0	53.8%
70.0	50.9%

Average foreign exchange rate (USD1)

¥123.15

¥135.00 (Foreign exchange rate for January-June
for major overseas subsidiaries)

	Mar. 31, 2023	Sep. 30, 2023	Change	% Change
Total assets	6,082.1	6,265.0	182.9	3.0%
Balance of segment assets	5,363.8	5,552.4	188.6	3.5%
Shareholders' equity	761.6	869.0	107.4	14.1%
Shareholders' equity ratio	12.5%	13.9%	1.4pt	-

Foreign exchange rate at quarter end (USD1)

¥132.70

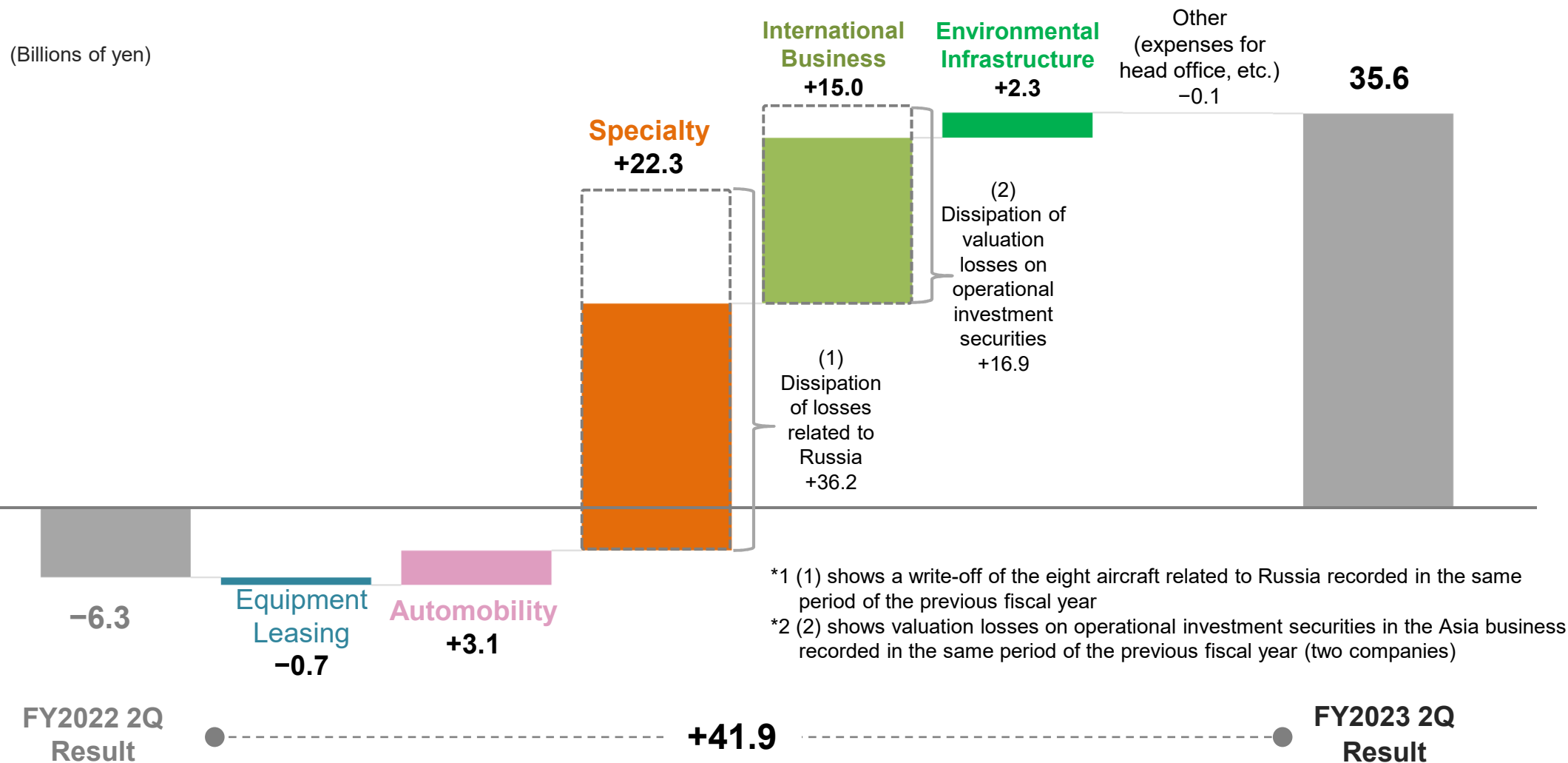
¥144.99 (Foreign exchange rate for major overseas
subsidiaries as of the end of June)

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

Breakdown of YoY Changes in Net Income (Loss)

Net income increased primarily due to the dissipation of losses related to Russia of ¥36.2 billion






Net income



Net Income & ROA by Operating Segment

Net income increased ¥41.9 billion YoY due to the recovery of Specialty Financing and International Business, as well as the growth of Automobility

Net income

	FY2022 Q2 Result	FY2023 Q2 Result	Change
 Equipment Leasing	12.8	12.1	-0.7
 Automobility	6.8	9.9	3.1
 Specialty Financing	-11.4	10.9	22.3
 International Business	-10.5	4.4	15.0
 Environmental Infrastructure	1.2	3.5	2.3
Other	-5.1	-5.2	-0.1
Total (Net income)	-6.3	35.6	41.9

(Billions of yen)

FY2023 Forecast	% Progress
24.0	50%
13.0	76%
26.0	42%
14.0	32%
4.0	86%
-11.0	47%
70.0	51%

ROA

(Net income / Segment assets)

FY2023 Q2 Result	Change
1.9%	-
3.7%	1.5pt
0.8%	-
1.3%	-
2.6%	1.4pt
1.3%	-






ROA (Net income / Total assets)

1.2%	-
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Ordinary Income & ROA by Operating Segment

Ordinary income increased YoY primarily due to the recovery of International Business and the growth of Automobility despite a decrease in gain on sales in Specialty Financing

Ordinary income

	FY2022 Q2 Result	FY2023 Q2 Result	Change
 Equipment Leasing	17.3	16.1	-1.2
 Automobility	16.0	19.9	3.9
 Specialty Financing	34.4	17.2	-17.2
 International Business	-7.7	7.4	15.1
 Environmental Infrastructure	2.6	5.5	2.9
Other	-6.7	-6.9	-0.2
Total (Ordinary income)	55.8	59.2	3.4

(Billions of yen)

FY2023 Forecast	% Progress
33.0	49%
28.5	70%
39.5	44%
18.5	40%
6.5	85%
-16.0	43%
110.0	54%

ROA

(Ordinary income / Segment assets)

FY2023 Q2 Result	Change
2.6%	-
7.4%	2.1pt
1.3%	-1.7pt
2.1%	-
4.1%	1.6pt
2.2%	-

ROA
(Ordinary income / Total assets)

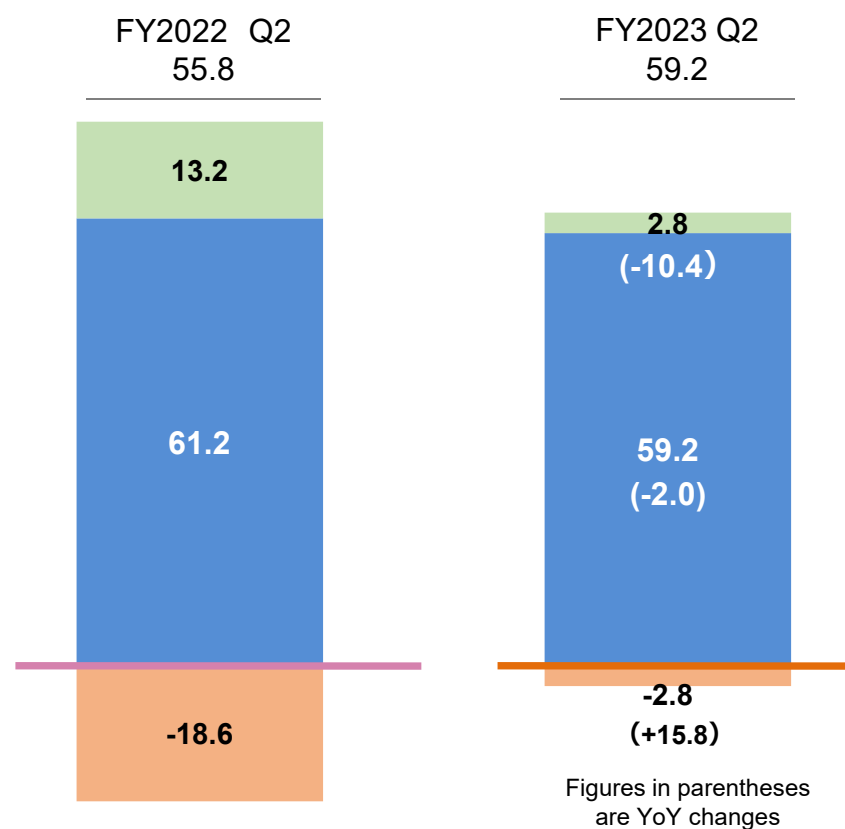
1.9%	-
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Breakdown of Ordinary Income (Core earnings, gain on sales, impairment, etc.)

Core earnings amounted to ¥59.2 billion, down ¥2.0 billion YoY

YoY

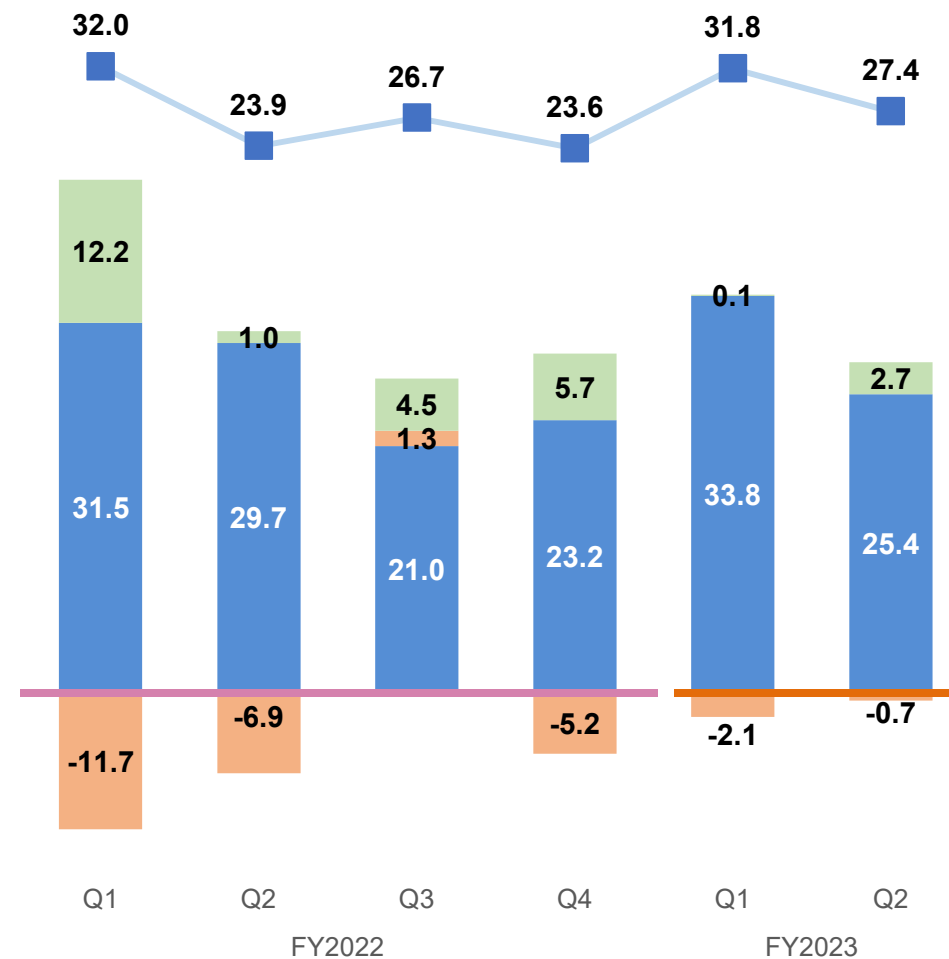
Core earnings Gain on sales*1 Impairment, bad debt, and gain (loss) on valuation of operational investment securities



Changes by quarter

(Billions of yen)

(Ordinary income)








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

*2 See P60 for the above figures by each of our five operating segments

Balance of Segment Assets by Operating Segment

Segment assets increased ¥188.6 billion from the end of the previous fiscal year primarily due to the impact of the exchange rate fluctuations

		(Billions of yen)					
		Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Sep. 30, 2023	Change
Balance of segment assets		4,773.0	4,800.5	4,879.4	5,363.8	5,552.4	188.6 +240.9*
Equipment Leasing 		1,471.1	1,489.1	1,379.7	1,287.1	1,211.8	-75.3
	Percentage	30.8%	31.0%	28.3%	24.0%	21.8%	+0.0*
Automobility 		631.2	629.5	611.8	611.6	466.1	-145.4
	Percentage	13.2%	13.1%	12.5%	11.4%	8.4%	
Specialty Financing 		2,008.7	2,034.4	2,152.5	2,490.6	2,811.8	321.2
	Percentage	42.1%	42.4%	44.1%	46.4%	50.6%	+179.7*
International Business 		510.6	483.1	557.1	655.7	757.8	102.1
	Percentage	10.7%	10.1%	11.4%	12.2%	13.7%	+60.3*
Environmental Infrastructure 		139.2	150.3	159.4	277.9	262.2	-15.7
	Percentage	2.9%	3.1%	3.3%	5.2%	4.7%	+0.9*
Other		12.2	13.9	19.0	41.0	42.6	1.7
	Percentage	0.3%	0.3%	0.4%	0.8%	0.8%	

* Exchange rate factors

* At the end of the second quarter, Orico Auto Leasing and Orico Business Leasing transitioned from consolidated subsidiaries to equity-method affiliates. For this reason, the balance of segment assets decreased ¥56.5 billion in Equipment Leasing and ¥147.9 billion in Automobility, separately.



2. Equipment Leasing



Results of Equipment Leasing

(Billions of yen)

	FY2022 Q2 Result	FY2023 Q2 Result	Change	% Change
Revenues	241.2	233.7	-7.6	-3%
Gross profit	18.8	18.5	-0.4	-2%
Operating income	12.7	12.2	-0.5	-4%
Ordinary income	17.3	16.1	-1.2	-7%
Net income attributable to owners of parent	12.8	12.1	-0.7	-5%
ROA (%) (Ordinary income / Segment assets)	2.6%	2.6%	-	
ROA (%) (Net income / Segment assets)	1.9%	1.9%	-	

	Mar. 31, 2023	Sep. 30, 2023	Change	% Change
Segment assets	1,287.1	1,211.8	-75.3	-6%

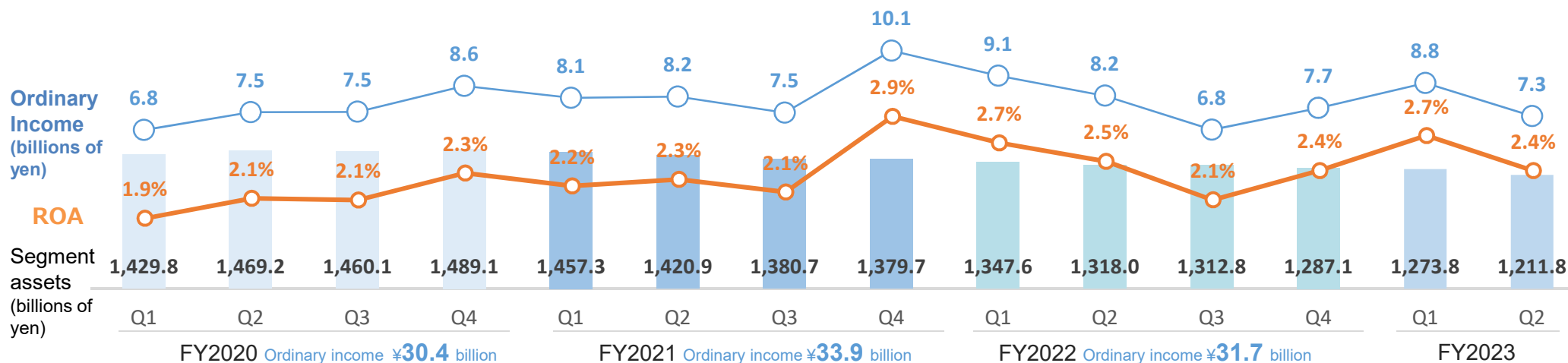
Major factors for change

Ordinary income

- Decreased, due to a decline in segment assets affected by promoting portfolio management focused on asset efficiency

ROA status

Conversion of former subsidiary Orico Business Leasing into an equity-method affiliate and promotion of portfolio management focused on asset efficiency helped ROA improve, and the profit level remained stable as initially planned



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



NTT TC Leasing's segment assets are moving toward more than ¥2,000 billion, showing strength

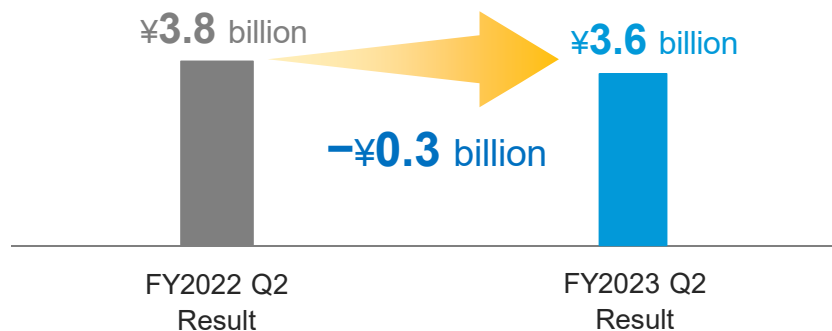
Financial Results (Six Month Ended September 30, 2023)

(billions of yen)

	FY2022 Q2 Result	FY2023 Q2 Result	Change	% Change
Revenues	205.6	187.4	-18.2	-9%
Gross profit	17.8	18.0	0.3	1%
Operating income	9.5	9.0	-0.5	-6%
Ordinary income	11.3	10.5	-0.8	-7%
Net income attributable to owners of parent	7.8	7.2	-0.6	-7%
Equity in earnings of affiliates(TC)	3.8	3.6	-0.3	-7%

	Sep. 30, 2022	Sep. 30, 2023	Change	% Change
Segment assets	1,591.3	1,765.0	173.7	11%

Equity in earnings of affiliates (TC)



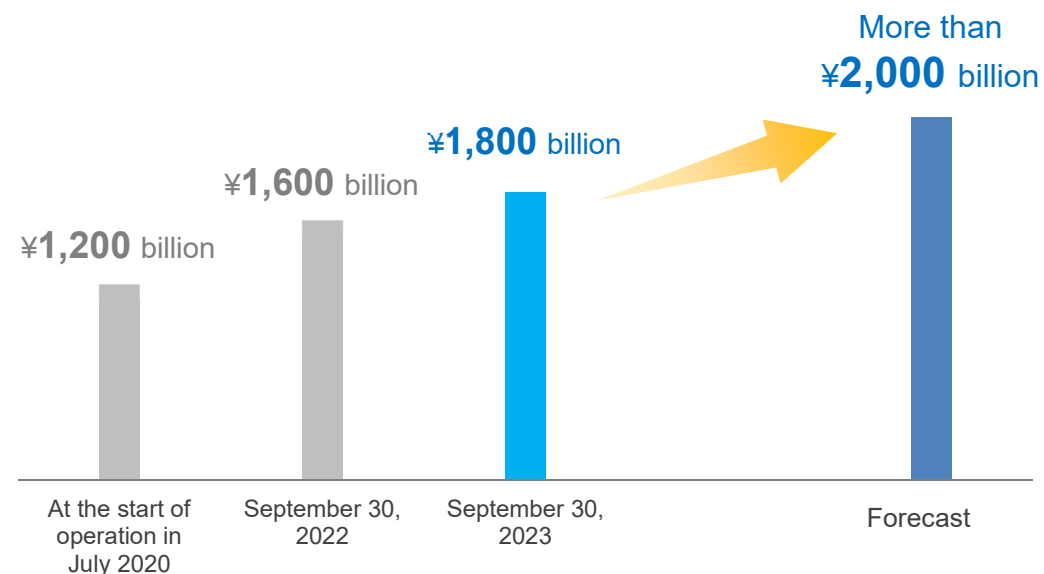
Major factors for change

Ordinary income

Decreased, due to the dissipation of commission income for large projects recorded in the same period of the previous fiscal year, while segment assets that underpin core earnings remained strong

Changes in Segment Assets

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

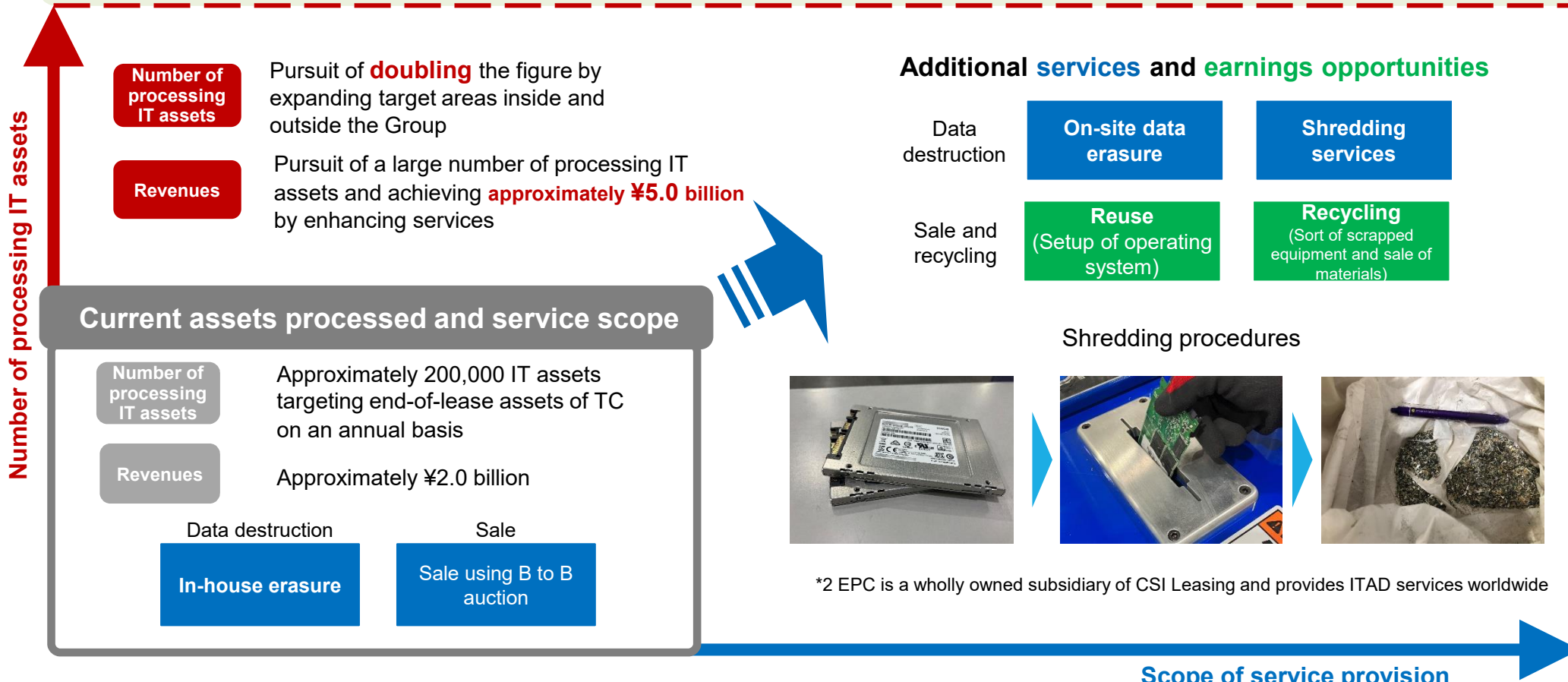


Expansion of ITAD Services in Japan



Aiming to become a forerunner providing ITAD services*1 by striving to double the number of processing IT assets

Adopt the technical know-how of CSI LEASING and epc*2 and expand the **number of IT assets being processed** through ITAD and the **scope of service provision** in Japan



*2 EPC is a wholly owned subsidiary of CSI Leasing and provides ITAD services worldwide

*1 IT asset disposition (ITAD) is the process of disposing of IT assets through safe and environmentally appropriate methods.



3. Automobility



Results of Automobility

(Billions of yen)

	FY2022 Q2 Result	FY2023 Q2 Result	Change	% Change
Revenues	177.5	189.7	12.2	7%
Gross profit	41.6	47.0	5.4	13%
Operating income	15.9	19.7	3.8	24%
Ordinary income	16.0	19.9	3.9	24%
NCS	11.9	11.8	-0.1	-1%
NRS	3.0	7.1	4.0	132%
OAL	1.2	1.1	-0.1	-7%
Other	-0.1	-0.1	0.0	
Net income attributable to owners of parent	6.8	9.9	3.1	46%
ROA (%) (Ordinary income / Segment assets)	5.3%	7.4%	2.1pt	
NCS	6.7%	6.7%	-	
NRS	14.9%	31.8%	16.9pt	
OAL	1.1%	1.5%	0.4pt	
ROA (%) (Net income / Segment assets)	2.2%	3.7%	1.5pt	
	Mar. 31, 2023	Sep. 30, 2023	Change	% Change
Segment assets	611.6	466.1	-145.4	-24%

Major factors for change

Ordinary income

■ NCS

Remained flat and earned income at the same level as the previous year 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 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 P16

Measures to improve profitability through renewal of sales branches

- Plan to renew about 200 sales branches, or one-third of all branches, by fiscal 2025
- Below is an example of the renewal of Yokohama Station West Exit



Before relocation



After relocation and renewal

Profitability improved



Improved Profitability of Car Rental Business

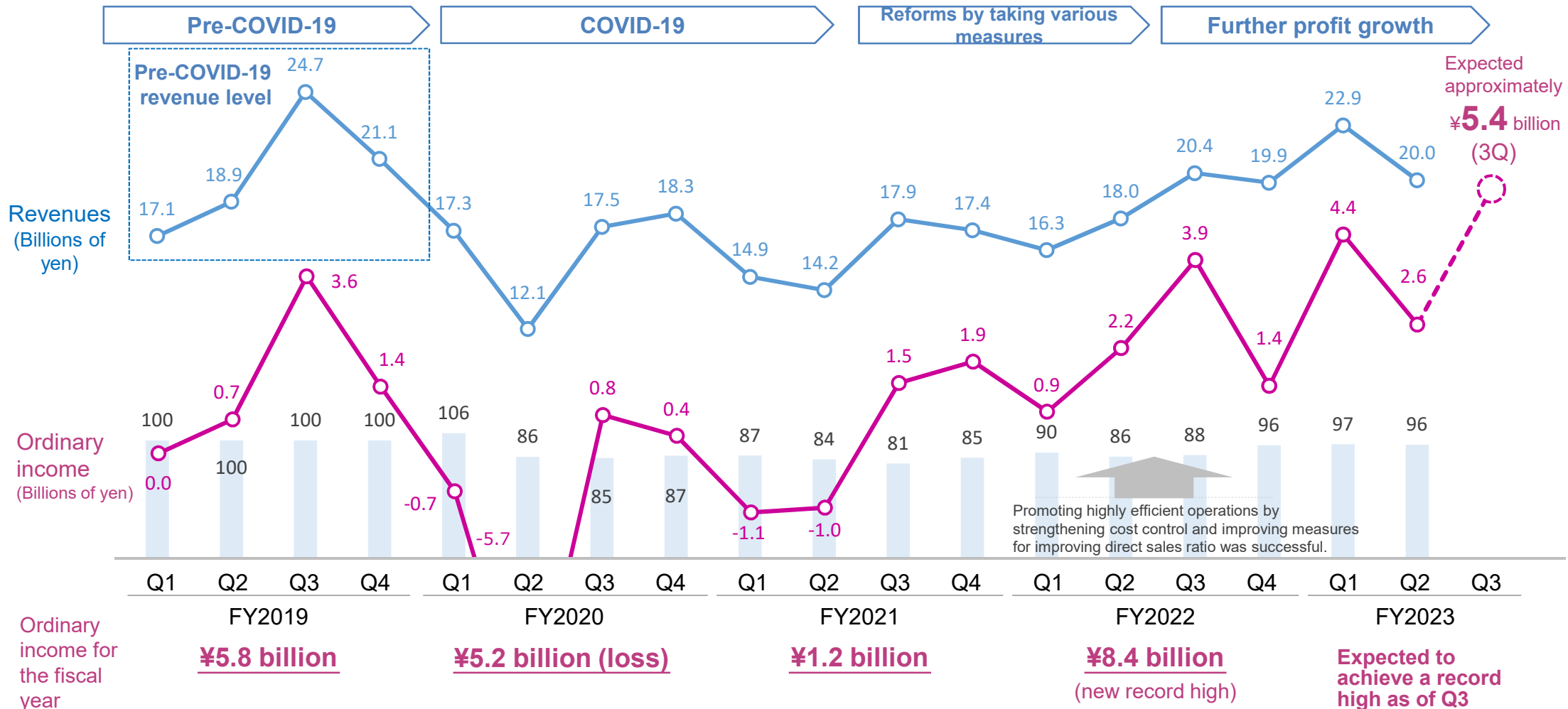


Aiming to further increase profits based on the structural reforms under the COVID-19 pandemic

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)





4. Specialty Financing



Results of Specialty Financing

(Billions of yen)

	FY2022 Q2 Result	FY2023 Q2 Result	Change	% Change
Revenues	125.1	147.2	22.1	18%
Gross profit	42.4	30.3	-12.1	-29%
Operating income	31.5	16.3	-15.2	-48%
Ordinary income	34.4	17.2	-17.2	-50%
Aviation	9.1	7.4	-1.7	-19%
ACG	6.2	3.0	-3.2	-52%
Others	2.9	4.4	1.5	52%
Shipping	5.3	2.4	-2.9	-55%
Real Estate	8.0	6.4	-1.6	-20%
Principal Investment and Others	12.0	1.0	-11.0	-91%
Gain on Sales *1	10.5	0.5	-10.0	-95%
Others	1.6	0.6	-1.0	-65%
Net income attributable to owners of parent	-11.4	10.9	22.3	-

ROA (%) (Ordinary income / Segment assets)	FY2022	FY2023	Change
Aviation	1.1%	0.8%	-0.3pt
ACG	0.9%	0.4%	-0.5pt
Others	2.5%	4.3%	1.8pt
Shipping	10.2%	5.4%	-4.8pt
Real Estate	3.1%	2.1%	-1.0pt
Principal Investment and Others	27.4%	2.0%	-25.4pt
ROA (%) (Net income / Segment assets)	-	0.8%	-

	Mar. 31, 2023	Sep. 30, 2023	Change	% Change
Segment assets	2,490.6	2,811.8	321.2	13%

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

Major factors for change

Ordinary income

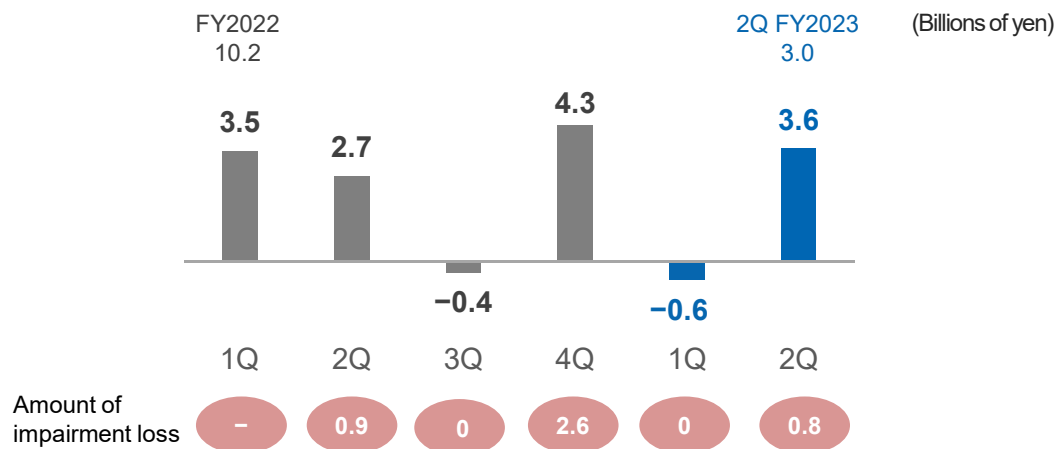
Aviation

Ordinary income (ACG)**2 decreased mainly due to higher interest expenses resulting from federal funds rate hikes and a consolidated adjustment.

*2 For performance and other details of ACG, see P19

Ordinary income (Others) increased, driven by GA Telesis, LLC, which offers aircraft component sales and other services.

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



Aviation Business 1 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 (Six Months Ended June 2023)

ACG's Result (USD million)

	FY2022	FY2023	Change	%Change
	Q2 Result	Q2 Result		
Total revenues	482	554	72	15%
Operating lease revenue	415	490	75	18%
Gain on sale of flight equipment, net	1	2	1	88%
Total expenses	918	509	-409	-45%
Interest expense, net	121	200	79	65%
Asset impairment	508	6	-502	-99%
Write-off of Russia aircraft	389	-	-389	-
Bad debt expense	-	0	0	-
Income/Loss before income taxes	-436	45	481	-
Net Income/Loss	-436	45	481	-
ROA (%)	-	0.8%	-	-
Number of owned aircraft	278	304	26	9%
	Dec. 31, 2022	Jun. 30, 2023	Change	%Change
Segment assets	11,297	11,890	592	5%

ACG's Result (recorded on TC's consolidated statements of income) (Billions of yen)

	FY2022	FY2023	Change	%Change
	Q2 Result	Q2 Result		
Income/Loss before income taxes	-53.7	6.1	59.7	-
Consolidated adjustment *	59.9	-3.1	-63.0	-
Ordinary income	6.2	3.0	-3.2	-52%
Extraordinary loss	47.0	-	-47.0	-

Average foreign exchange rate ¥123.15 ¥135.00

Revenues

Increased due to the higher number of leasing aircraft and cash collection from airlines

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

* Including transfer of extraordinary loss



Aviation Business 1-2 ACG's Financial Performance



Increased both in income and revenues YoY primarily due to a significant recovery in operating lease revenue and gain on sale of flight equipment, net

Financial Results (Nine Months Ended September 2023)

ACG's Result

(USD million)

	FY2022	FY2023	Change	%Change
	Q3 Result	Q3 Result		
Total revenues	710	894	184	26%
Operating lease revenue	631	774	143	23%
Gain on sale of flight equipment, net	1	12	11	871%
Total expenses	1,153	789	-364	-32%
Interest expense, net	196	308	112	57%
Asset impairment	119	15	-104	-87%
Losses incurred from Russia exposure	395	-	-395	-
Bad debt expense	-	0	0	-
Income/Loss before income taxes	-443	105	548	-
Net Income/Loss	-443	114	557	-
ROA (%)	-	1.2%	-	-
Number of owned aircraft	284	307	23	8%
	Dec. 31, 2022	Sep. 30, 2023	Change	%Change
Segment assets	11,297	12,034	737	7%

Revenues

Increased due to the higher number of leasing aircraft and cash collection from airlines

Income/Loss before income taxes

Increased mainly due to a significant recovery in operating lease revenue and gain on sale of flight equipment, net despite an increase in interest expense, net, as well as the dissipation of losses related to the 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 latest financial results disclosed on Wednesday, November 15, 2023 are presented.



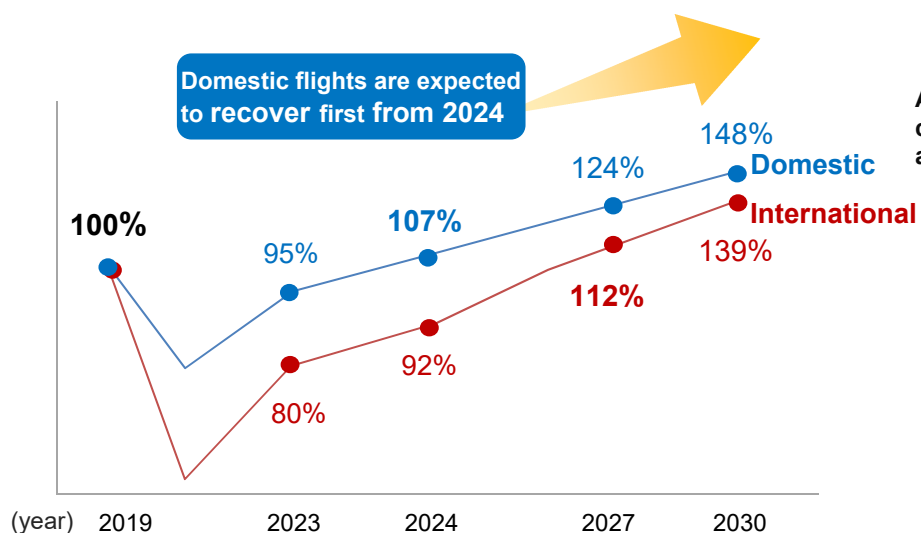
Aviation Business 2

Aviation Market Trends and ACG's Earnings Power Changes

Net spreads holding despite sharp increase in federal funds rate

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)

Geographic Recovery Trend (latest forecast)

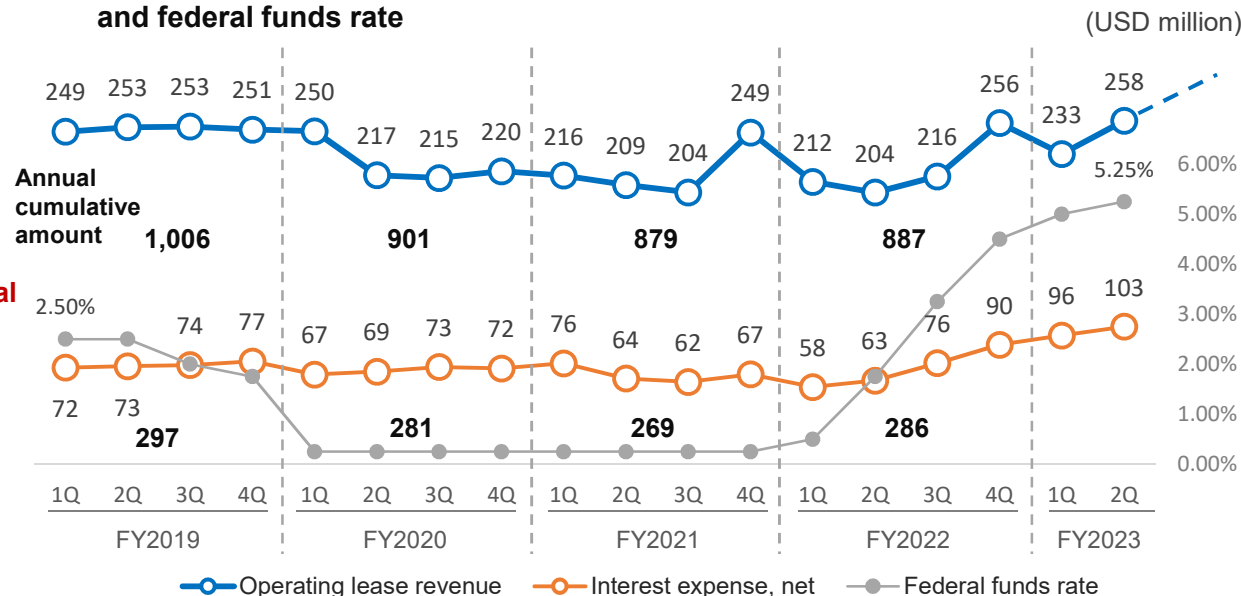
Regions	Estimated Year of Recovery
North America	2023
Europe	2024
Latin America & Caribbean	2023
Asia Pacific	2024

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

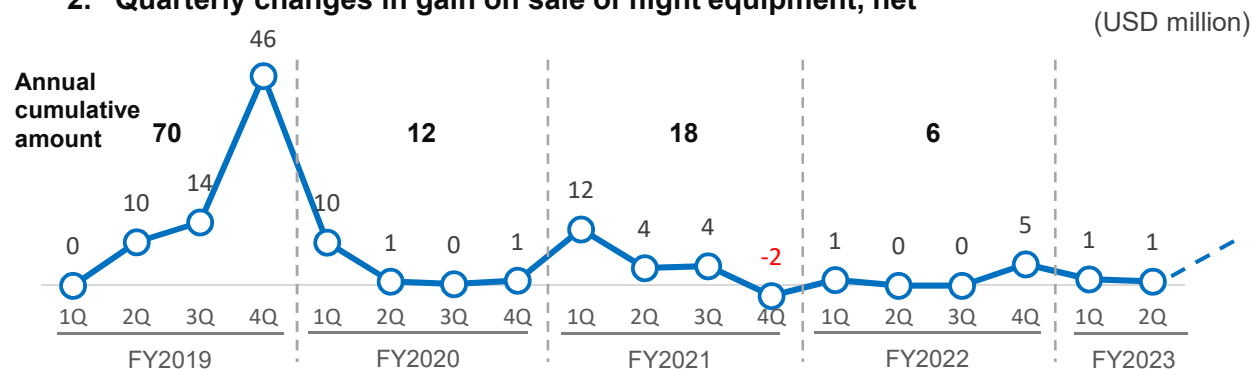
Source: Prepared by TC based on IATA data (announced in June 2023)

ACG's Performance Trends

1. Quarterly changes in operating lease revenue, interest expense, net, and federal funds rate



2. Quarterly changes in gain on sale of flight equipment, net





Aviation Business 3

ACG's Capital Procurement Activities



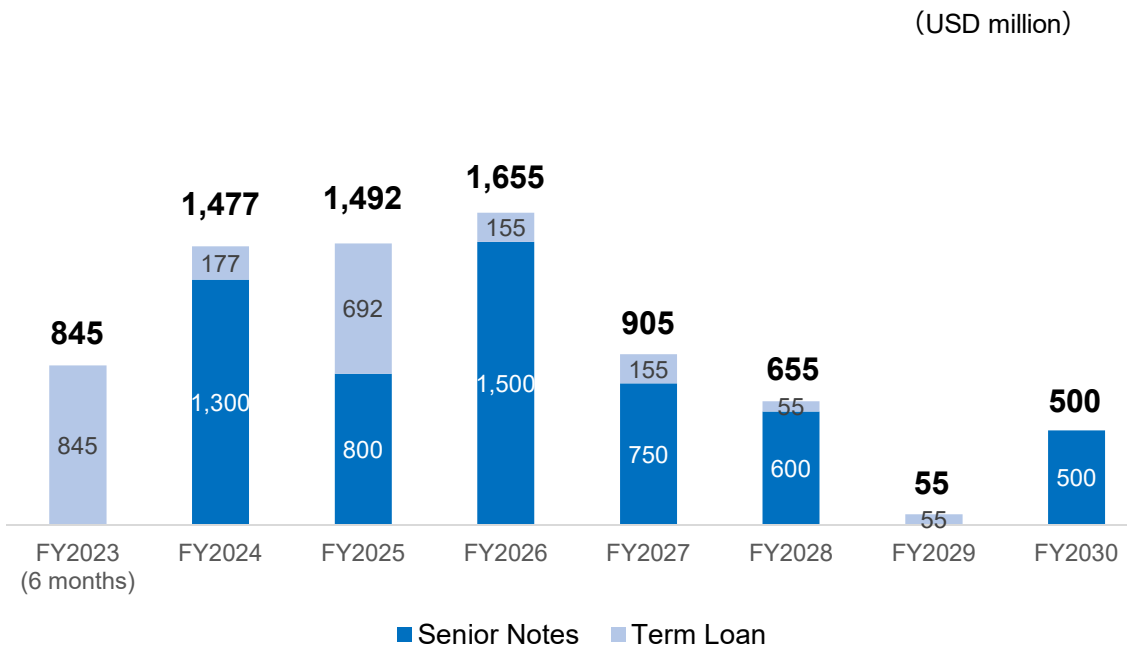
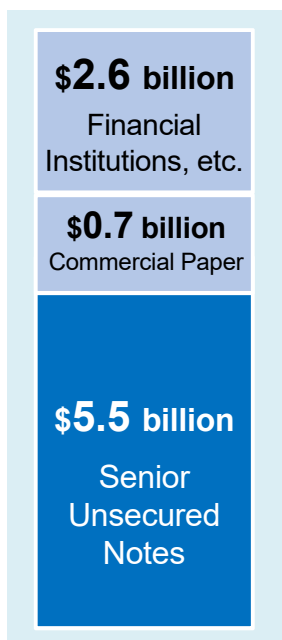
Promoting diversification of funding sources while flexibly responding to market conditions

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*1 *2 <Unsecured debt maturities*> (excluding commercial paper, etc.)

\$8.7 billion



*1 As of June 30, 2023
*2 Including adjustment amount

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%
- Issued in October: **Senior Notes (\$500 million)**
Maturity: 2028 Coupon Rate: 6.750%
- Closed in October: **Secured Credit Facility (\$500 million)**
Availability Period: 3 years Maturity: 2030



Aviation Business 4 ACG's Portfolio



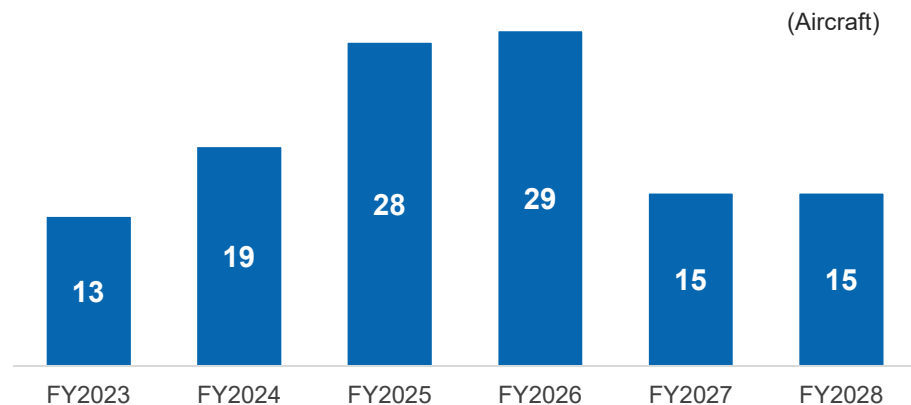
Diversified portfolio with a focus on liquid narrow-body aircraft in approximately 45 countries worldwide

Portfolio Overview (as of June 30, 2023)

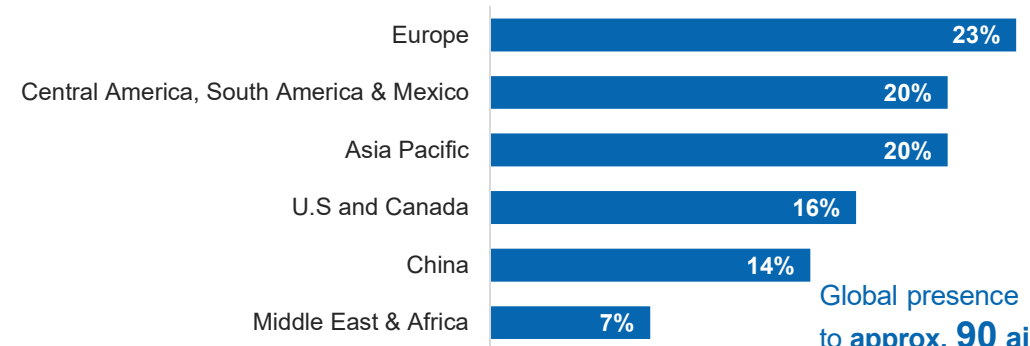
- **Weighted average fleet age: 5.9 years**
- **Narrowbody by NBV: 90 %**
(Narrowbody by count: 97%)
- **Owned, managed and committed aircraft: 484**
(Owned: 304 Managed: 61 Committed aircraft: 119)

Delivery Schedule of Committed Aircraft (as of June 30, 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: **41%**)

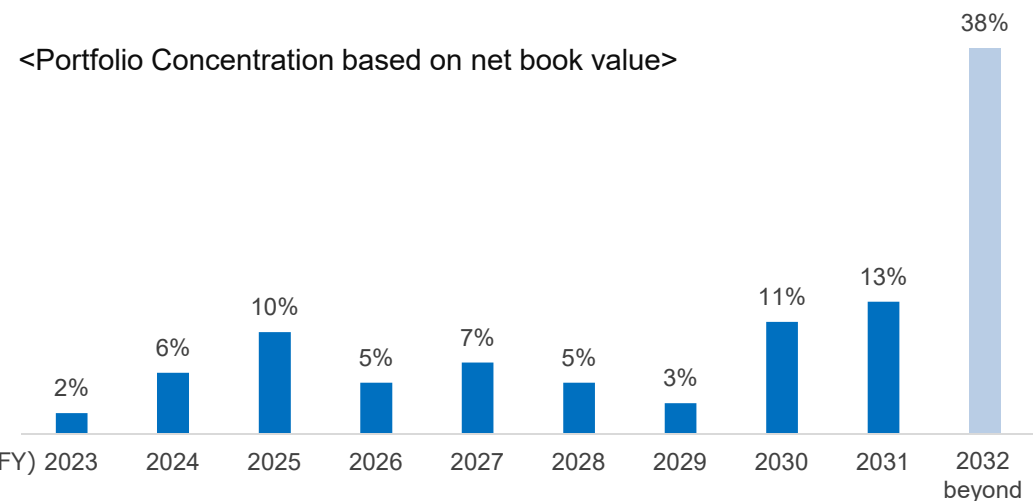


Geographic Concentration (as of June 30, 2023)



Global presence to approx. **90** airlines in approx. **45** countries

Portfolio Concentration by Lease Maturity (as of June 30, 2023)





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

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

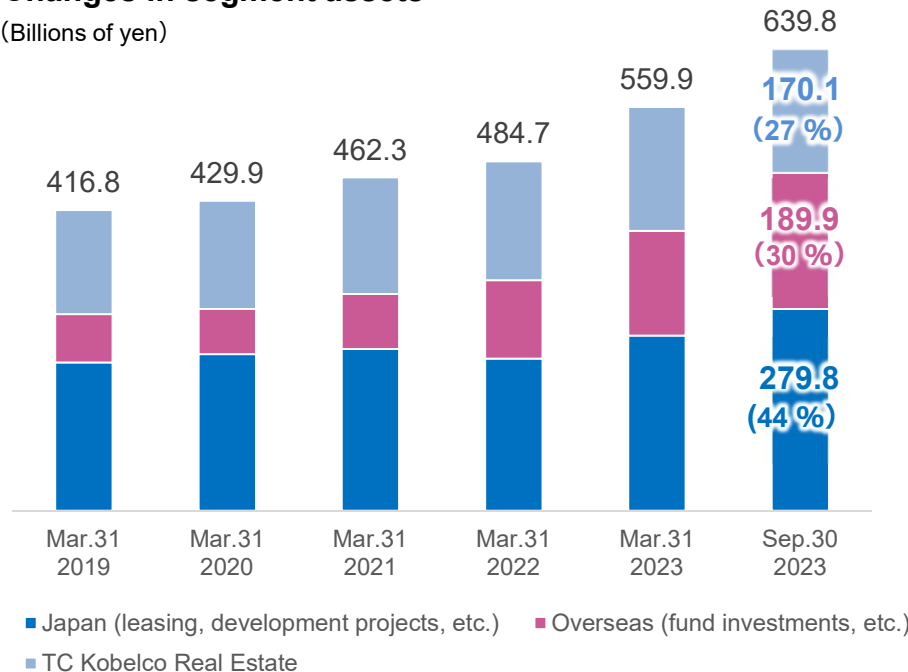


Uchisaiwaicho 1-chome area

South block (South Tower)
Scheduled for completion in FY2027

Changes in segment assets

(Billions of yen)



Scheduled to open in 2024

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



Scheduled to open from 2025 onward



5. International Business



Results of International Business

(Billions of yen)

	FY2022 Q2 Result	FY2023 Q2 Result	Change	% Change
Revenues	66.3	80.8	14.5	22%
Gross profit	7.5	25.3	17.8	237%
Operating income	-7.7	7.5	15.3	-
Ordinary income	-7.7	7.4	15.1	-
Asia	-14.2	2.7	16.9	-
USA and Europe	6.7	4.9	-1.8	-27%
CSI	6.1	5.3	-0.7	-12%
Other	0.6	-0.5	-1.1	-
Other	-0.2	-0.2	0.0	-
Net income attributable to owners of parent	-10.5	4.4	15.0	-

ROA (%) (Ordinary income / Segment assets)	-	2.1%	-	-
Asia	-	2.4%	-	-
USA and Europe	3.6%	2.0%	-1.6pt	-
CSI	4.3%	3.1%	-1.2pt	-
Other	1.4%	-	-	-
ROA (%) (Net income / Segment assets)	-	1.3%	-	-

	Mar. 31, 2023	Sep. 30, 2023	Change	% Change
Segment assets	655.7	757.8	102.1	16%

Major factors for change

Ordinary income

■ Asia

Increased, mainly due to the dissipation of valuation losses of operational investment securities recorded in the same period of the previous fiscal year

■ USA and Europe

CSI*

Decreased, mainly due to the dissipation of secondary lease income

Other overseas subsidiaries

Decreased, mainly due to higher funding costs

* For performance and other details of CSI, see P27



CSI's Performance



CSI's predominance of base network and ITAD services over its peers leads to steady transaction volume growth

Financial Results (Six Months Ended June 30, 2023)

(USD million)

	FY2022 Q2 Result	FY2023 Q2 Result	YoY Change	% YoY Change
Revenues	364	406	41	11%
Gross profit	175	189	14	8%
Ordinary income	53	43	-10	-18%
Net income	37	29	-8	-23%

ROA (%) *1	5.0%	3.6%	-1.4pt	
RORA (%) *1, 2	16.3%	11.9%	-4.4pt	
Transaction volume	677	796	120	18%

	Dec. 31, 2022	Jun. 30, 2023	YoY Change	%YoY Change
Segment assets	2,318	2,509	191	8%

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

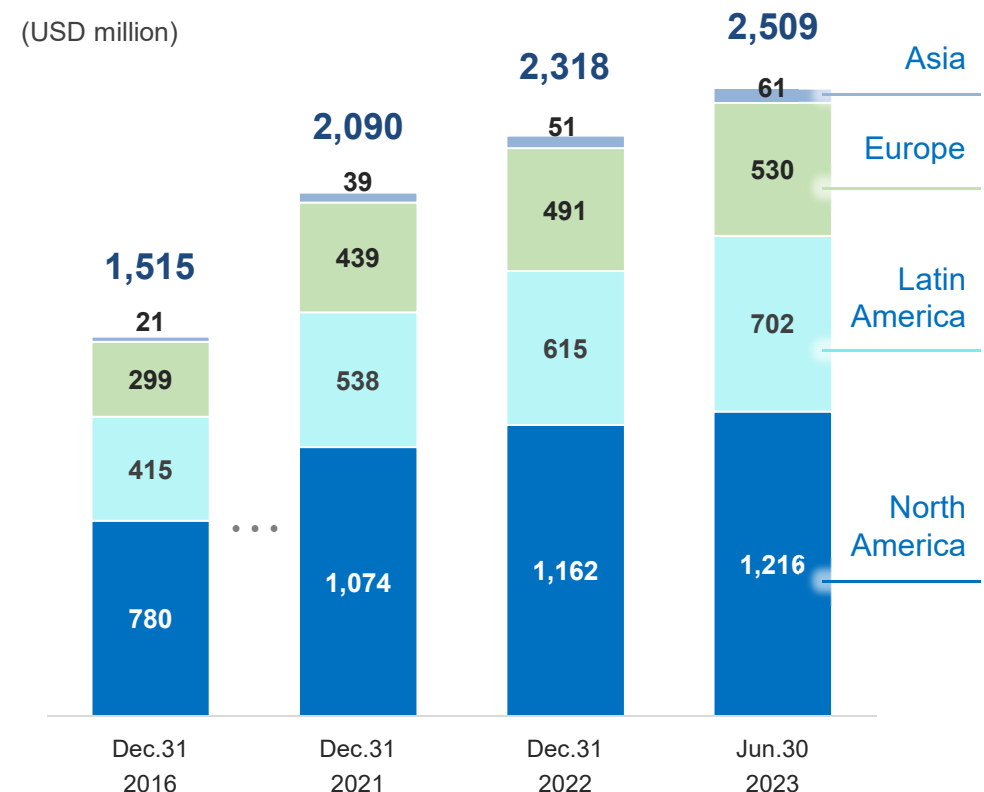
Major Factors for Change

- Lease income remained strong in conjunction with accumulating segment assets
- Ordinary income declined mainly due to a decrease in secondary lease income and an increase in SG&A in light of the expansion of bases
- Projects for global enterprises grew, and transaction volume steadily increased

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



(Became a wholly owned subsidiary of TC)

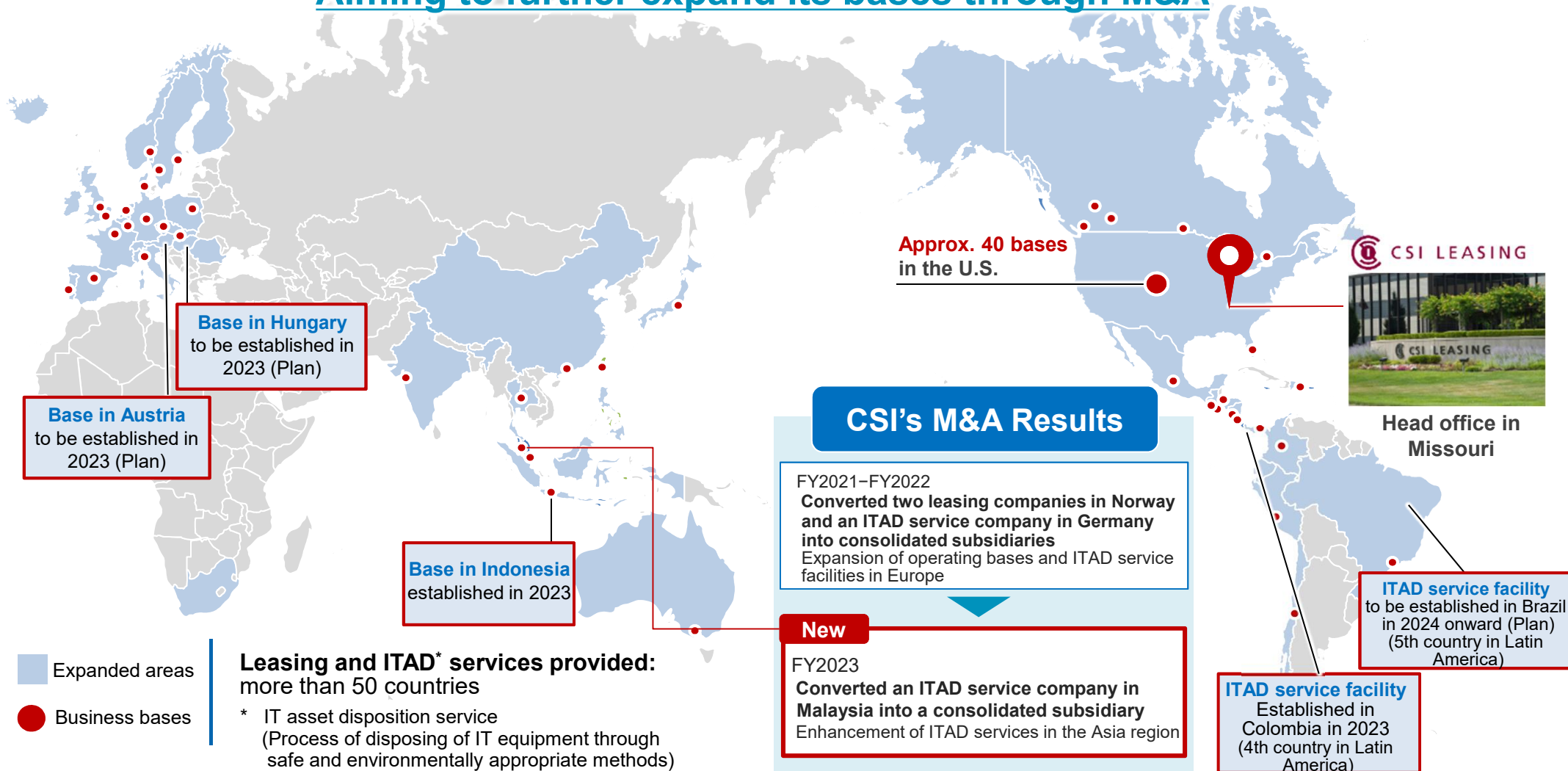


CSI's Global Strategies



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

Aiming to further expand its bases through M&A





6. Environmental Infrastructure



Results of Environmental Infrastructure

(Billions of yen)

	FY2022 Q2 Result	FY2023 Q2 Result	Change	
			Change	% Change
Revenues	16.6	34.5	17.9	108%
Gross profit	5.2	6.8	1.6	31%
Operating income	4.4	5.4	1.1	24%
Ordinary income	2.6	5.5	2.9	115%
Net income attributable to owners of parent	1.2	3.5	2.3	187%

ROA (%) (Ordinary income / Segment assets)	2.5%	4.1%	1.6pt	
ROA (%) (Net income / Segment assets)	1.2%	2.6%	1.4pt	

	Mar. 31, 2023	Sep. 30, 2023	Change	% Change
Segment assets	277.9	262.2	-15.7	-6%

Major factors for change

Ordinary income

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

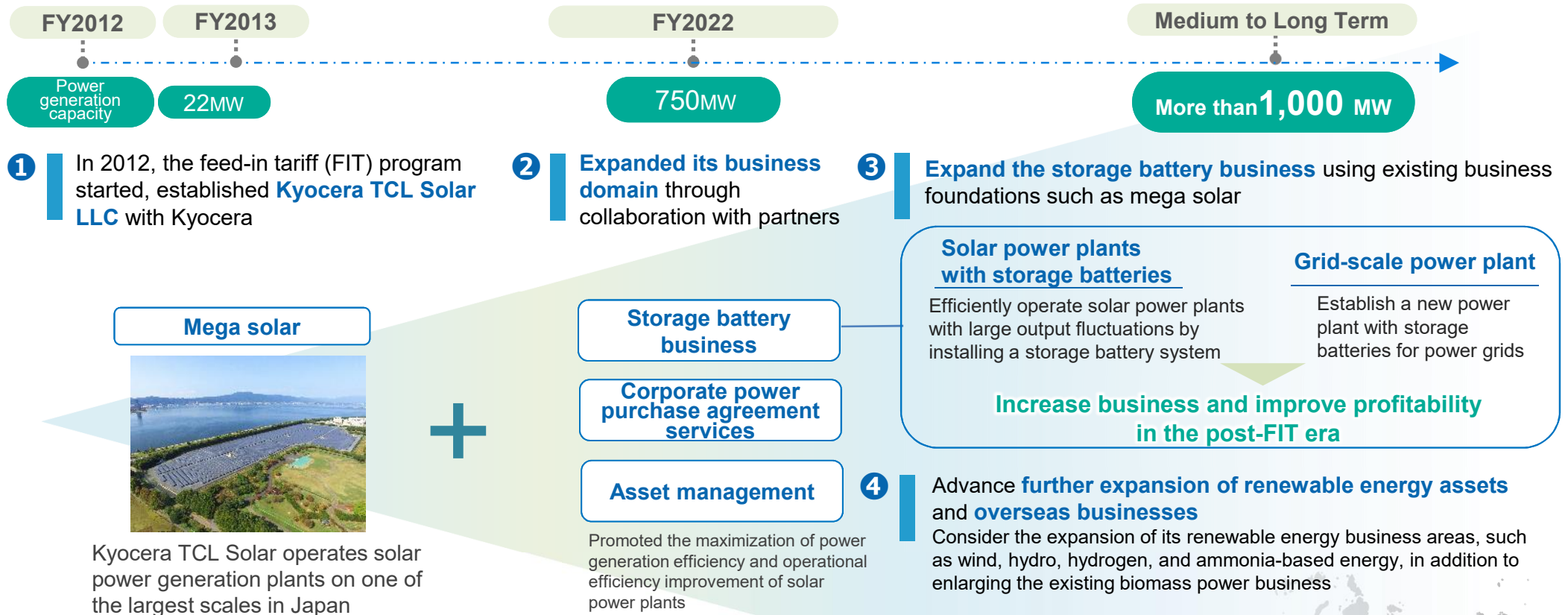
* The biomass co-firing power plant of Shunan Power Corporation started operations in September 2022



Development of Environment-Related Businesses



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



<Major collaborative partners>





7. 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

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 for leasing and finance businesses
- Expand business collaboration with Equipment Leasing in co-creation projects
- See P12 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.



8. TC Transformation

Portfolio Transformation (PX)

Pursuing a highly profitable and stable portfolio

Human Resource and Organizational Transformation (HRX)

Developing human resource and organization that can bring about change

TCX

TC Transformation

Transformation focused on four elements to achieve sustainable growth

Green Transformation (GX)

Striving efforts as a focus area on a Companywide basis

Digital Transformation (DX)

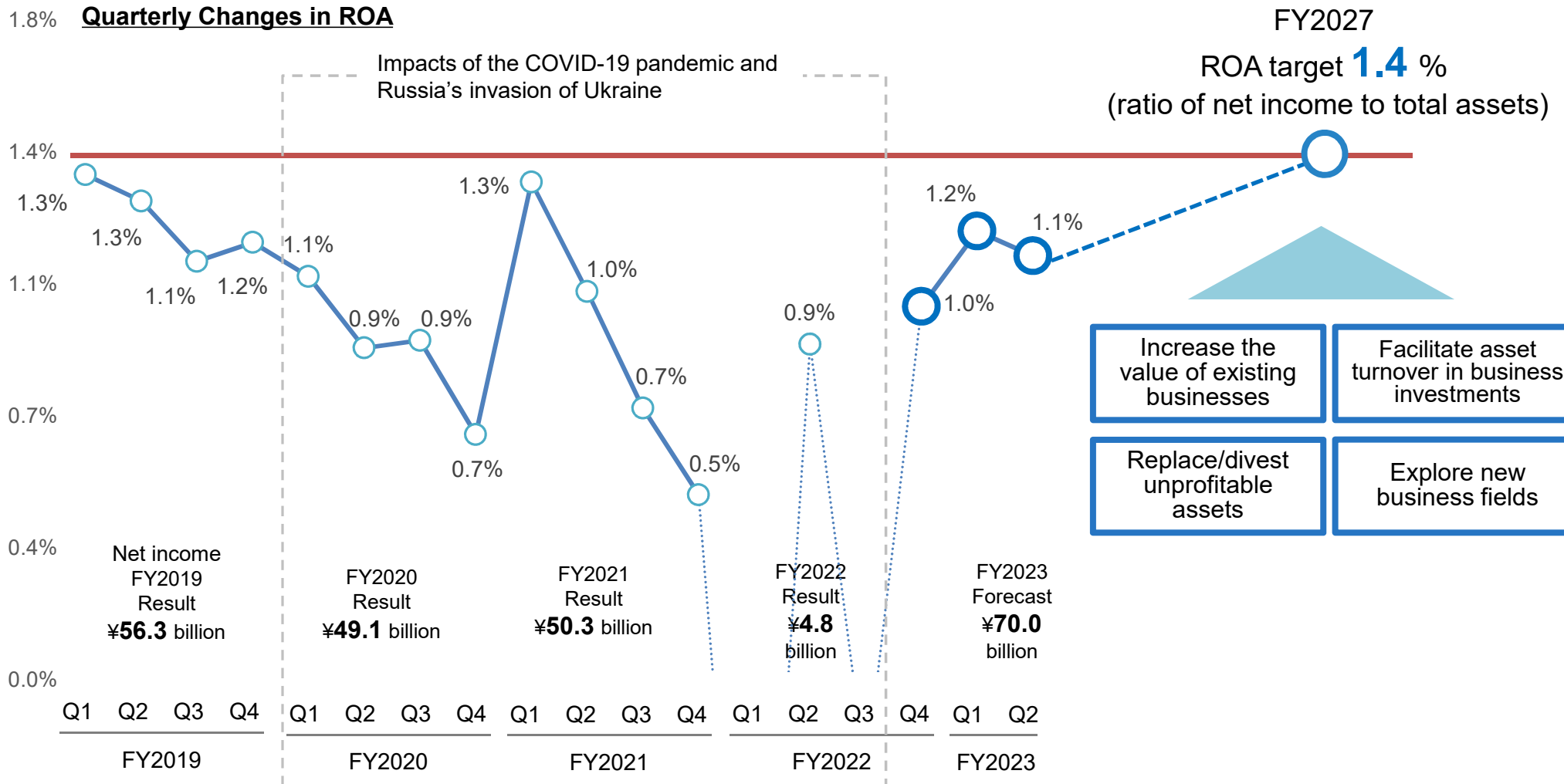
Creating change utilizing digital technologies

ROA (Ratio of Net Income to Total Assets)

Strive to increase ROA by placing a strong emphasis on the improvement of profitability

Strengthen earnings power by implementing four measures to transform TC's portfolio

1.8% Quarterly Changes in ROA



Renewable Energy Generation Capacity

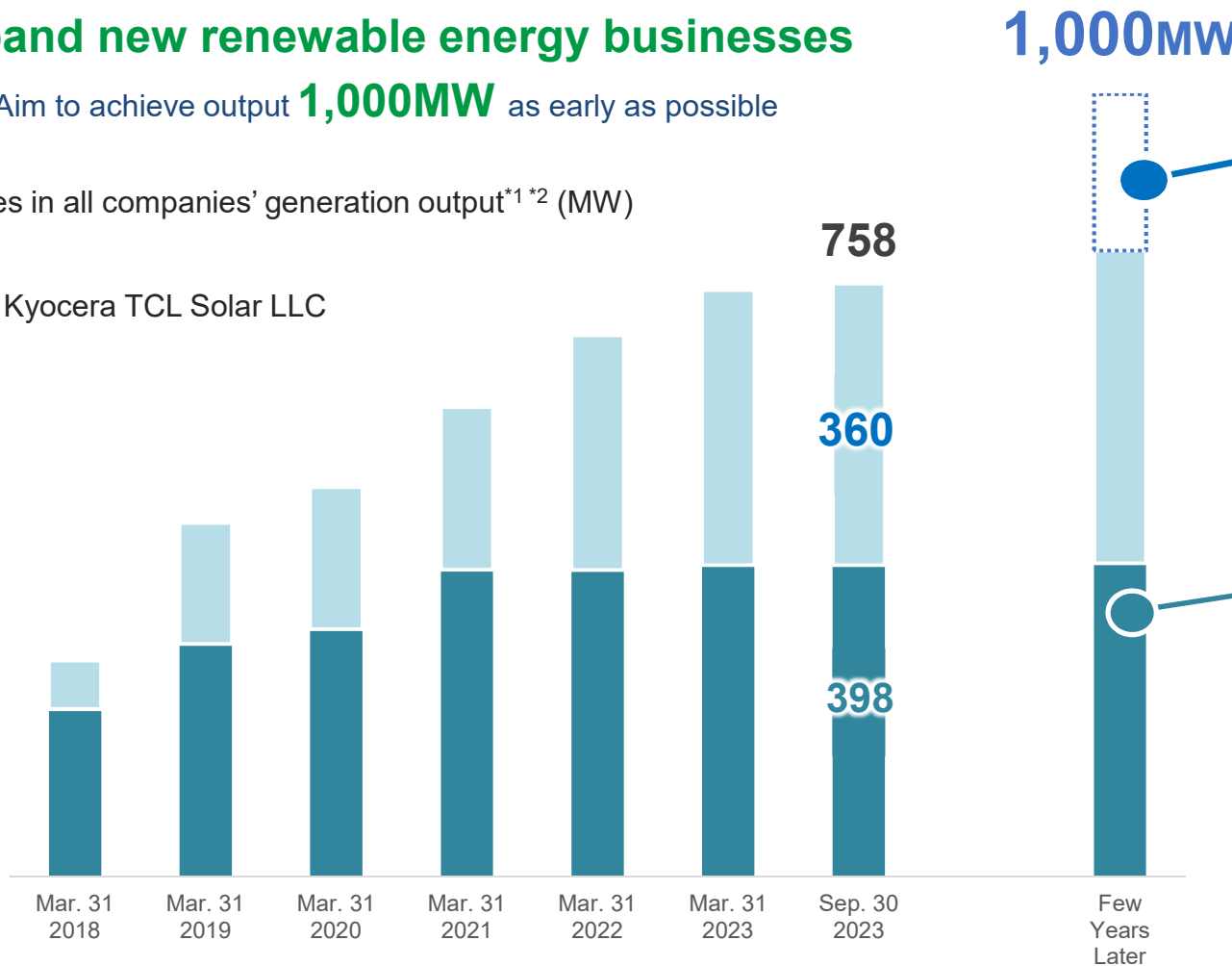
Expand new renewable energy businesses by all the companies in addition to reinforcing solar power generation businesses

Expand new renewable energy businesses

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

Changes in all companies' generation output*1 *2 (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 Sep. 30, 2023) through collaboration with Kyocera

*1 Excludes solar panel leasing and financing; output value proportionate to ownership ratio of under-operation projects (subsidiaries counted as 100%)

*2 The sum of generation capacity figures for Equipment Leasing and Environmental Infrastructure in which power generation businesses are operated

Overseas Business Development Approach of Environment-Related Businesses

PX

HRX

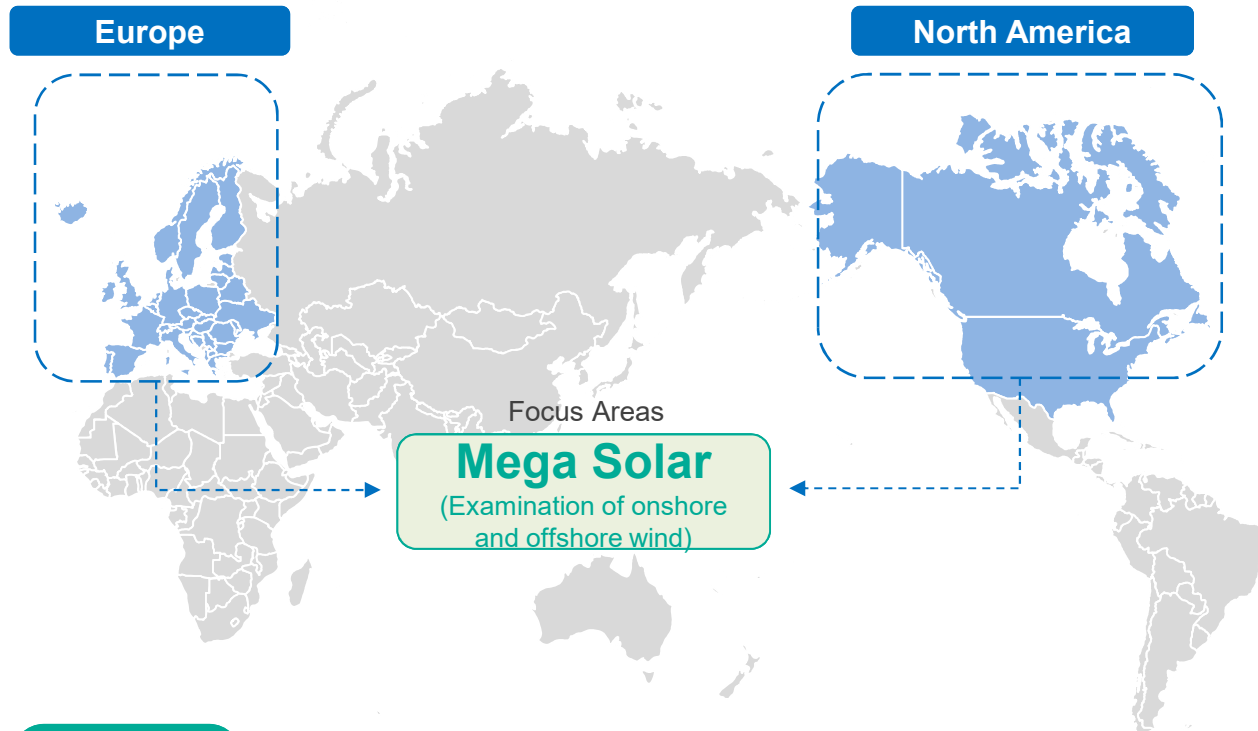
GX

DX

Seeking to accumulate high-return projects overseas together with prime partners

North America and Europe are the main target areas

for enhanced profitability and increased deals



Investment projection

Despite requiring consideration of varied conditions depending on individual projects, the standard investment projection being taken into account is the following:

- Development or ownership period: approx. **3-5 years**
- Investment amount (per project): approx. **\$50 million**

Point 1

Focus on **development projects with high profitability**

Point 2

Pursue the joint acquisition of assets with **prime partners with extensive knowledge of overseas businesses**

Cultivation of Digitally Proficient Human Resources

Launched digital transformation (DX) strategies based on the DX Human Resource Program, guiding ongoing transformation by continuing to learn

✓ Began **DX training**, targeting **approximately 1,000*** officers and employees

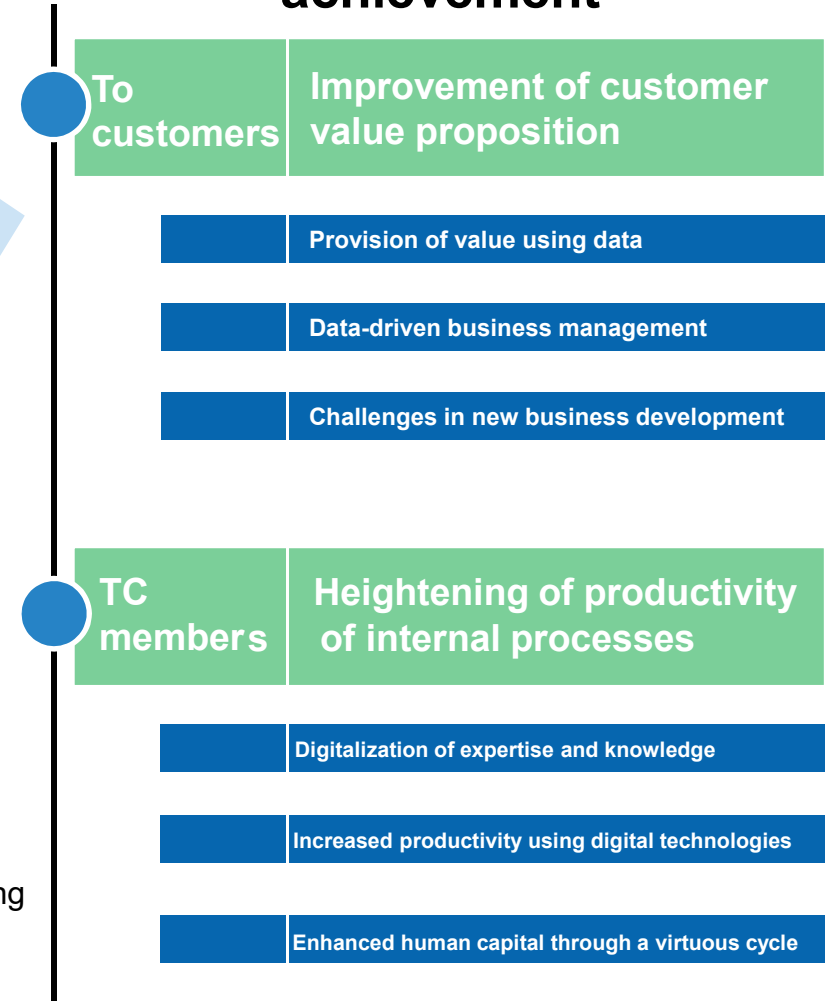
Build a human resource base to achieve DX goals



Transform into an **organization in which TC members continue to create value** through ongoing learning

* Number of officers and employees (TC non-consolidated)

DX strategies' core for achievement



Promotion of Digital Transformation

PX

HRX

GX

DX

Advance to create an environment in which TC members leverage digital transformation and share digital knowledge

Utilization of AI

Developed “ChatGPT exclusively for TC members”

<Screenshot example used internally>



Welcome to TC-ChatAI assistant!

Utilize generative AI in a secure network environment to protect against data leakage

Examples

- Draft business proposals for customers
- Generate email replies to customers
- Create and develop ideas using internal and external information

Aim to encourage operational improvement using ChatGPT exclusively for TC members

Digital knowledge sharing

Publish digital results as a visualization of knowledge

Publish **video case studies for operational improvement in which TC members effectively use digital tools in the office on an in-house special website**

Example videos are provided in an interview format



Explanation video



Explanation video



Explanation video

Advance operational improvement in the office by piling up case examples on an ongoing basis through sharing and visualizing knowledge

Seek to achieve a loop for improving autonomous productivity

Steady implementation of human resource and organizational strategies that support management and business strategies

Human Resource Strategies

Recruitment and cultivation of human resources capable of transforming themselves to bring about change

● Acceleration of human resource recruitment and development initiatives

- Recruitment of individuals with specialized expertise who can lead transformation of management and business strategies
- Introduction of human resource systems for utilizing highly specialized individuals
- Provision of opportunities for learning to allow employees to tackle new challenges
- Cultivation of human resources capable of creating new businesses

● Allocation and positioning of human resources

- Allocation of human resources to growth areas
- Talent management approach for strategic human resource positioning
- Appropriate compensation in reflection of growth

● Development of safe and secure workplace environments

- Cultivation of health awareness and support for prevention, early diagnosis, and treatment of illnesses
- Improvement of productivity through development of comfortable and motivating workplaces

Organizational Strategies

Development of highly capable organizations and empowerment of individual employees

● Organizational management

- Development of frameworks not bound by the conventional confines of organizations in focus areas
- Promotion of systems that reward ambition
- Creation of frameworks for communication and knowledge sharing

● Promotion of diversity, equity, and inclusion

- Fostering of corporate culture founded on respect for human rights
- Development of workplaces in which diverse individuals can exercise their unique skills

● Branding

- Advancement of internal branding activities targeting employees
- Enhancement of brand image to aid in human resource recruitment

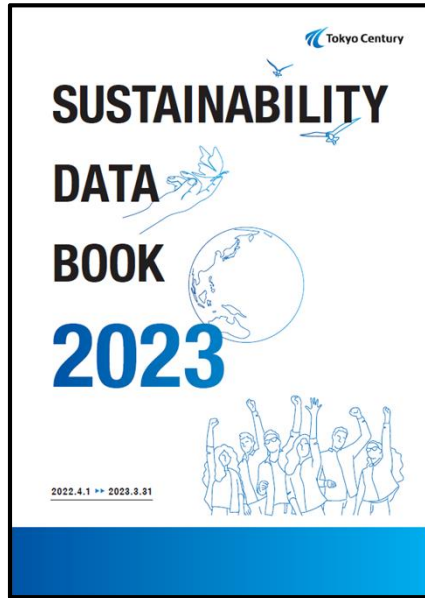


9. Promotion of Sustainability Management

Materiality and Main KPIs



Published SUSTAINABILITY DATA BOOK 2023 (in Japanese)



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

Added content from last year

- Scope of data collection (Scope 1 and Scope 2) from 60 to **90 companies**
- **Started data collection of upstream transportation and distribution** (Category 4 of Scope 3)
Added CO₂ emissions calculated from jet fuel use volume used in ferry flights for ACG's aircraft (off lease and repossession) to Independent Practitioner's Assurance
- Added **risk management methods** and **due diligence** results regarding **human rights**, directives for human resource development, and KPIs related to human resources

Materiality	Main KPIs (from SUSTAINABILITY DATA BOOK)
<ul style="list-style-type: none"> ■ Contribution to decarbonized society Contribute to widespread use of clean energy through climate change response and environmental efforts 	<ul style="list-style-type: none"> - Reduction of office electricity use - Contribution to reducing CO₂ 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
<ul style="list-style-type: none"> ■ Creation of new businesses driven by technical innovation Create new businesses by integrating new technologies into financial services and contribute to the digital economy 	<ul style="list-style-type: none"> - Maintained certification of Digital Transformation (DX) Certification system under the Ministry of Economy, Trade and Industry (METI)
<ul style="list-style-type: none"> ■ Contribution to social infrastructure development Respond to advances in global mobility services and cooperate with local communities to contribute to social infrastructure development 	<ul style="list-style-type: none"> - Number of vehicles equipped with telematics services, number of safe driving lessons, and number of participants - Ratio of rental cars equipped with safety features (automated brakes, etc.)
<ul style="list-style-type: none"> ■ Sustainable resource use Contribute to development of a circular economy focused on the value of assets 	<ul style="list-style-type: none"> - Promotion of refurbishment business - ITAD data erasure services (CSI Leasing subsidiary Executive Personal Computers, Inc.) - Promotion of car rental services (NRS)
<ul style="list-style-type: none"> ■ Enhancement of work environment, leading to strengthening of human resources Promote human resources development, diversity, and work-style reforms that improve job satisfaction and foster a sense of personal growth 	<ul style="list-style-type: none"> - Annual paid leave acquisition rate / Childcare leave acquisition rate - Ratio of women among new graduates, in section leader positions and management positions - Wage differentials between male and female workers - Rate of employees undergoing regular health check-ups / Rate of employees undergoing stress checks - Number of employees relocated through Career Challenge Program, etc.
<ul style="list-style-type: none"> ■ Shared platform 	<ul style="list-style-type: none"> - Utilize diverse partnerships to create new value

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.

■ 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.

■ Morningstar Japan ex-REIT Gender Diversity Tilt Index

An index designed, with the data and scoring methodology of Equileap, to emphasize companies in the Japanese market that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender.

■ MSCI Japan Empowering Women (WIN) Select Index

An index created from a selection of Japanese companies with a high level of gender diversity in each GICS® (Global Industry Classification Standard) industry sector from among the top 700 Japanese companies by market capitalization. WIN is based on MSCI Japan IMI Top 700 Index, its parent index. Tokyo Century has been a constituent of the index since 2022.

■ MSCI Japan 700 SRI Select Index

An index designed to represent the performance of companies that are consistent with specific values- and climate change-based criteria. In each sector, the index seeks to represent the performance of companies with high environmental, social, and governance (ESG) ratings.

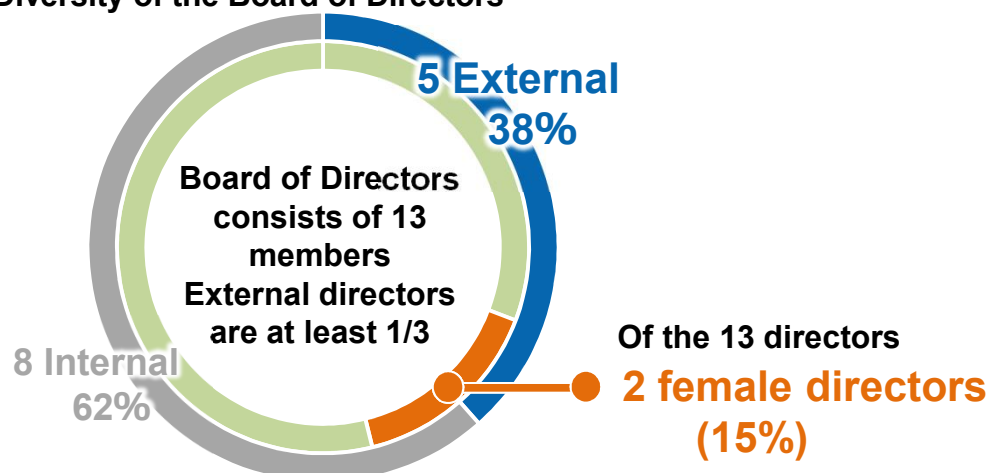
Note: The Government Pension Investment Fund (GPIF) of Japan has selected the  marked indices as a benchmark for passive ESG investments

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

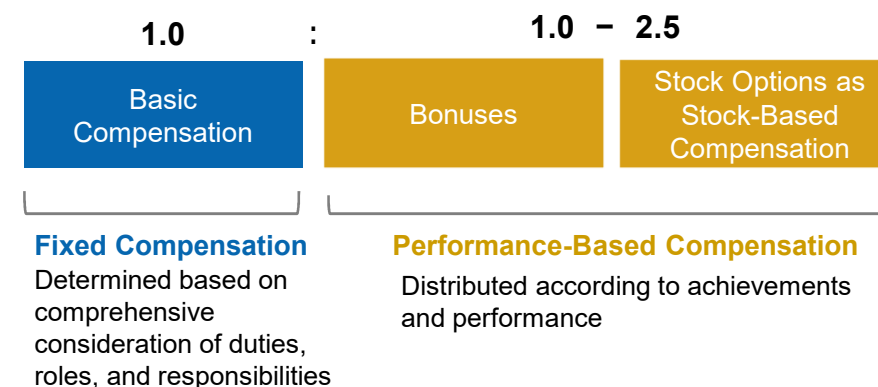
Effectiveness evaluation

- 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

- Aim to facilitate medium- to long-term, in-depth deliberations on the overall composition of and vision of the business portfolio, including allocation of management resources through free discussions and other methods

Officer Compensation*



- ✓ 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



10. Highlights of Medium-Term Management Plan 2027

Management Targets Financial and Non-financial Targets

Net income of ¥100.0 billion, ROE of 10%, and P/B ratio of 1.0 or more

- Align financial targets with net income-based figures
- Recognize the current cost of equity at 10% and aim to reduce it
- Set non-financial targets to promote ESG initiatives

Financial KPI*1	
Net income attributable to owners of parent (Billions of yen)	100.0
ROA (ratio of net income to total assets)	1.4%
ROE	10%

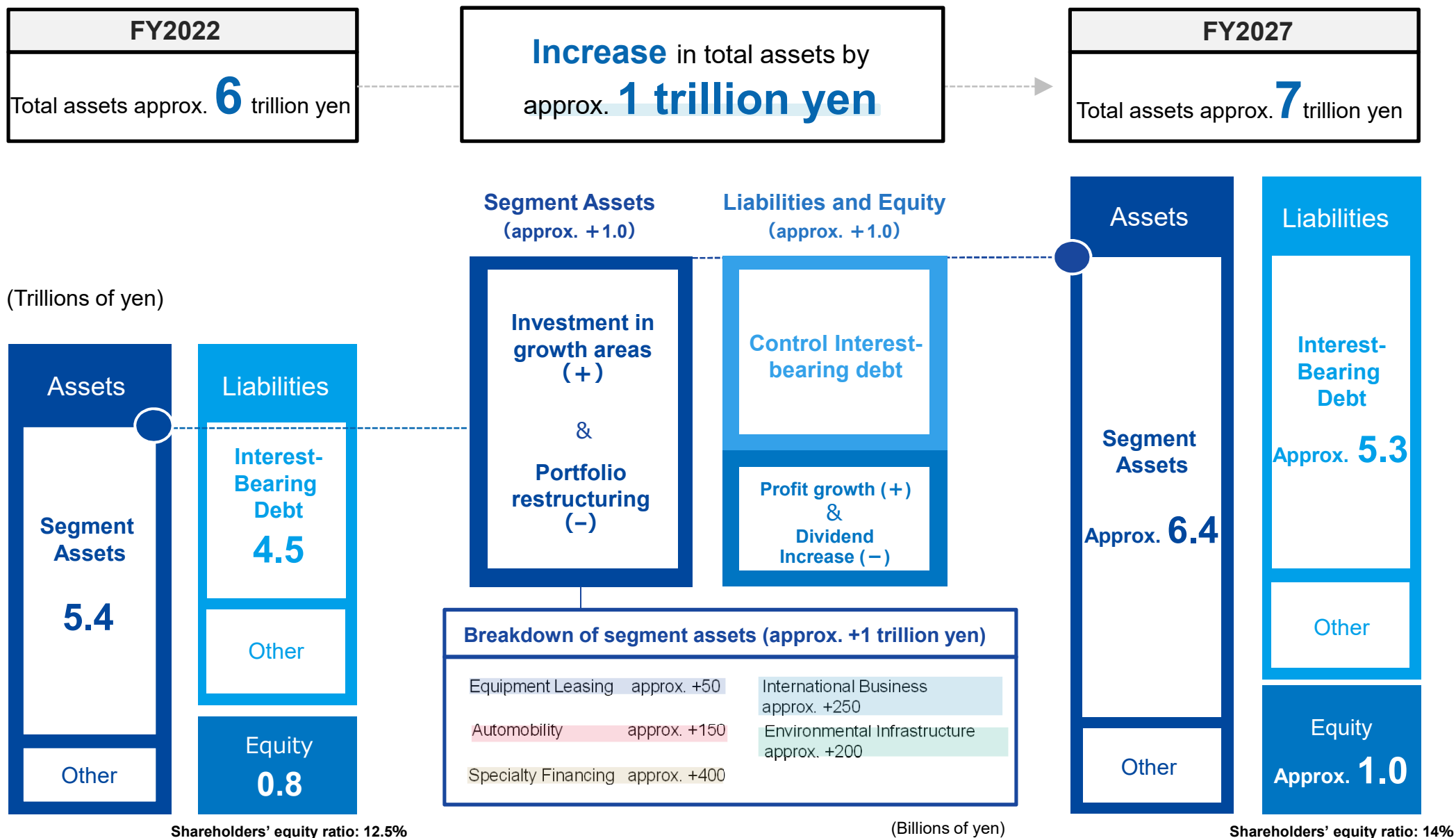
Non-financial KPI	
Initiatives for realizing 50% GHG emissions reduction by FY2030*2	33%–50%
Employee engagement index*3 (including for participating Group companies)	Maintain/improve ratio of positive responses

*1 FY2027 estimated foreign exchange rate: 1US\$ = ¥130

*2 Target of a 50% reduction in greenhouse gas (GHG) emissions by FY2030 from base year of FY2021 announced

*3 2022 Employee Engagement Survey conducted by TC (non-consolidated): 63% positive response ratio (aggregated positive responses from multiple choice questions)

Balance Sheet Management



Financial Strategies Shareholder Returns (Dividend) Policy

- Provide **stable, long-term returns to shareholders**, which is our basic policy
- Maintain stable returns to shareholders during the period of the Medium-Term Management Plan 2027 while balancing with growth investment and financial base
- **Continue to increase dividends per share with profit growth**, targeting a payout ratio of approximately 35% (FY2023 onward)

* Effective January 1, 2024, plan to conduct a 4-for-1 stock split of common stock
 Dividends shown in the graph below are amounts before taking into account the impact of said stock split

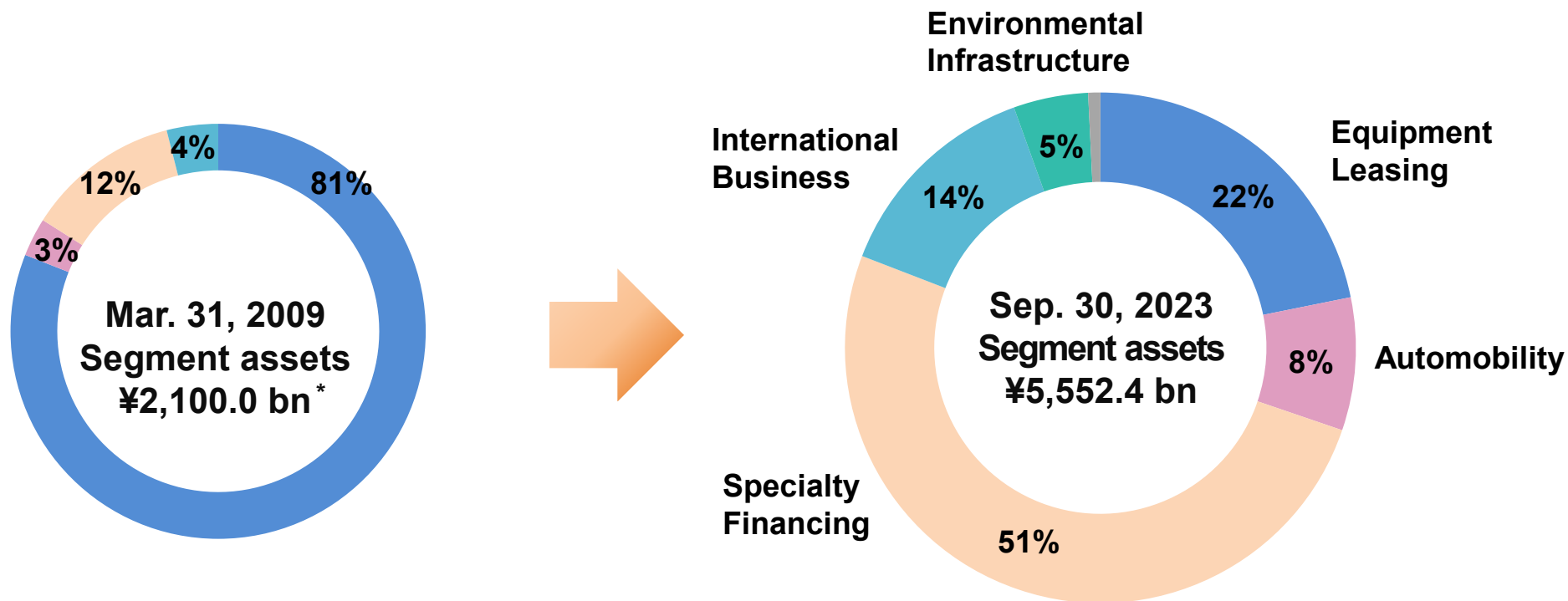
Planning to increase dividends per share with profit growth



11. Appendix

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

FY2023 Forecast

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

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

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: AA Outlook: Stable	Rating: AA- Outlook: Stable	Rating: BBB Outlook: Stable
	Preliminary Rating for Bonds Registered for Issuance*	Rating: AA Expected issue amount: ¥400 billion Issue period: Two years beginning February 25, 2022	Rating: AA- Expected issue amount: ¥400 billion Issue period: Two years beginning February 25, 2022	—
	Euro Medium-Term Note Program	Rating: AA Equivalent of USD2 billion	Rating: AA- Equivalent of USD2 billion	—
Short Term	Commercial Paper	Rating: J-1+ Maximum outstanding amount: ¥800 billion	Rating: a-1+ Maximum outstanding amount: ¥800 billion	—

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

Statement of Income

(Billions of yen)

	#	FY2022 Q2 Result	FY2023 Q2 Result	Change	%Change
Revenues	1	626.5	685.5	59.0	9.4%
Costs	2	512.9	560.0	47.1	9.2%
Funding cost	3	27.9	47.0	19.1	68.4%
Gross profit	4	113.5	125.4	11.9	10.5%
SG&A expenses	5	64.2	72.3	8.2	12.7%
Personnel expenses	6	37.3	39.7	2.5	6.6%
Non-personnel expenses	7	27.0	30.7	3.6	13.4%
Credit costs	8	-0.1	2.0	2.1	-
Operating income	9	49.4	53.1	3.7	7.6%
Non-operating income and losses	10	6.5	6.1	-0.4	-5.5%
Ordinary income	11	55.8	59.2	3.4	6.1%
Extraordinary income and losses	12	-47.0	1.7	48.7	-
Income before income taxes	13	8.8	61.0	52.1	589.7%
Income taxes	14	9.1	18.3	9.2	101.1%
Net income	15	-0.3	42.6	42.9	-
Net income attributable to non-controlling interests	16	6.0	7.0	1.0	17.1%
Net income attributable to owners of parent	17	-6.3	35.6	41.9	-

Major Factors for Change

■ Gross profit

Increased mainly due to International Business and Automobility

■ SG&A expenses

Personnel expenses and non-personnel expenses: increased mainly due to International Business and Automobility

■ Non-operating income and losses

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

■ Ordinary income

Increased mainly due to the recovery of International Business and the growth of Automobility despite a decrease in gain on sales in Specialty Financing

■ Net income attributable to owners of parent

Increased mainly due to the dissipation of losses related to Russia of ¥36.2 billion, which was recorded in the same period of the previous fiscal year

Balance Sheet

(Billions of yen)

	#	Mar. 31, 2023	Sep. 30, 2023	Change	%Change
Total assets	1	6,082.1	6,265.0	182.9	3.0%
Current assets	2	2,996.8	2,859.3	-137.5	-4.6%
Non-current assets, etc.	3	3,085.3	3,405.8	320.4	10.4%
Leased assets	4	2,232.5	2,480.3	247.8	11.1%
Leased assets advance payment	5	81.1	79.3	-1.8	-2.3%
Other operating assets	6	215.0	204.5	-10.5	-4.9%
Investment securities	7	325.7	383.7	58.0	17.8%
Others	8	231.0	257.9	27.0	11.7%
Total liabilities	9	5,193.1	5,272.6	79.5	1.5%
Current liabilities	10	2,106.2	1,893.5	-212.7	-10.1%
Long-term liabilities	11	3,086.9	3,379.1	292.1	9.5%
Total net assets	12	889.0	992.4	103.4	11.6%
Shareholders' equity	13	761.6	869.0	107.4	14.1%
Non-controlling interests, etc.	14	127.4	123.4	-4.0	-3.1%

Major Factors for Change

■ Non-current assets, etc.

Leased assets
Increased mainly in ACG's aircraft leased assets due to the impact of the exchange rate fluctuations

Interest-Bearing Debt

(Billions of yen)

	#	Mar.31, 2022	Mar. 31, 2023	Sep. 30, 2023	Change	
					Change	%Change
Interest-bearing debt	1	4,247.4	4,514.7	4,642.3	127.7	2.8%
Commercial papers	2	371.5	352.3	317.6	-34.7	-9.9%
Japanese yen	3	289.6	271.7	217.7	-54.0	-19.9%
Foreign currency	4	81.9	80.6	99.9	19.3	23.9%
Corporate bonds	5	1,000.1	1,052.7	1,176.4	123.8	11.8%
Japanese yen	6	401.5	372.6	382.5	10.0	2.7%
Foreign currency	7	598.6	680.1	793.9	113.8	16.7%
Securitized lease assets	8	31.4	25.8	23.0	-2.8	-11.0%
Borrowings	9	2,844.4	3,083.9	3,125.3	41.4	1.3%
Japanese yen	10	1,941.4	1,958.5	1,860.0	-98.5	-5.0%
Foreign currency	11	903.0	1,125.4	1,265.3	139.9	12.4%
Direct funding ratio	12	33.0%	31.7%	32.7%	1.0pt	
Long-term funding ratio	13	84.5%	85.7%	86.0%	0.3pt	

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

	#	FY2021	FY2022	FY2023	Change	
		Q2 Result	Q2 Result	Q2 Result	Change	%Change
Funding cost	14	23.7	27.9	47.0	19.1	68.4%
Funding cost ratio*	15	1.10%	1.27%	2.05%	0.78pt	

(Change of funding cost by fiscal year)

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

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

Quarterly Changes in Results by Subsidiary and Affiliate in Automobility

NRS performed well and posted its highest earnings in the first half

		FY 2022						FY 2023				
		Q1	Q2	Q3	Q4	Total (Q1-Q2)	Total (Annual)	Q1	Q2	Total (Q1-Q2)	Change (YoY)	Change (YTD)
Revenues (Billions of yen) ^{*2}	NCS	54.0	49.2	47.4	46.9	103.2	197.5	54.3	50.9	105.2	1.9	
	NRS ^{*1}	16.3	18.0	20.4	19.9	34.3	74.6	22.9	20.0	42.9	8.6	
	OAL	20.8	22.2	22.4	23.1	43.0	88.5	22.3	22.8	45.1	2.0	
	Total	91.2	89.4	90.2	89.9	180.6	360.6	99.5	93.7	193.2	12.6	
Ordinary income (Billions of yen)	NCS	6.8	5.0	2.2	2.4	11.9	16.5	6.9	4.9	11.8	-0.1	
	NRS	0.9	2.2	3.9	1.4	3.0	8.4	4.4	2.6	7.1	4.0	
	OAL	0.6	0.5	0.7	1.4	1.2	3.3	0.6	0.5	1.1	-0.1	
	Other	-0.0	-0.0	-0.1	-0.1	-0.1	-0.2	-0.1	-0.0	-0.1	0.0	
Total	8.3	7.7	6.8	5.2	16.0	28.0	11.9	8.0	19.9	3.9		
Balance of segment assets (Billions of yen)	NCS	351.8	348.3	345.7	348.3			346.3	351.3		3.0	3.0
	NRS	41.7	41.5	49.3	44.7			44.7	44.5		3.0	-0.2
	OAL	214.2	215.0	218.4	216.5			222.1	68.6		-146.5	-147.9
	Other ^{*3}	2.4	2.2	2.1	2.1			1.9	1.8		-0.4	-0.2
Total	610.1	607.0	615.5	611.6			615.1	466.1		-140.9	-145.4	
Number of vehicles (Thousand)	NCS	673	679	680	683			687	688		9	5
	NRS	44	49	44	44			46	51		3	7
	OAL	172	173	175	178			180	182		8	4
	Duplication adjustment	-176	-177	-179	-182			-184	-185		-8	-4
Total	713	724	720	724			729	736		12	12	

*1 Fiscal period of NRS ends in December

*2 Revenues = Simple sum of three companies

*3 Intercompany adjustment within the companies in Automobility

Balance of Segment Assets and Transaction Volume in Automobility

Segment assets decreased ¥145.4 billion from the end of the previous fiscal year primarily due to the conversion of Orico Auto Leasing into an equity-method affiliate

(Billions of yen)

	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Sep. 30, 2023	Change
Balance of segment assets	631.2	629.5	611.8	611.6	466.1	-145.4
NCS	378.5	371.2	359.3	348.3	351.3	3.0
Percentage	59.9%	58.9%	58.7%	57.0%	75.4%	
NRS	52.8	45.7	40.3	44.7	44.5	-0.2
Percentage	8.4%	7.3%	6.6%	7.3%	9.5%	
OAL	210.7	214.0	211.7	216.5	68.6	-147.9
Percentage	33.4%	34.0%	34.6%	35.4%	14.7%	
Other ^{*1}	-10.7	-1.4	0.5	2.1	1.8	-0.2
Percentage	-1.7%	-0.2%	0.1%	0.3%	0.4%	

*1 Adjusted intercompany transactions among Automobility

(Billions of yen)

	FY2019 Result	FY2020 Result	FY2021 Result	FY2022 Result	FY2022 Q2 Result	FY2023 Q2 Result	YoY Change	% Change
Transaction volume ^{*2}	224.6	193.4	177.9	181.8	82.7	110.1	27.5	33.2%
NCS	141.7	120.5	109.4	105.1	48.4	66.2	17.8	36.7%
OAL	82.9	72.9	68.5	76.8	34.2	44.0	9.7	28.4%

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

Balance of Segment Assets in Specialty Financing

Segment assets increased ¥321.2 billion from the end of the previous fiscal year due to the impact of the exchange rate fluctuations

(Billions of yen)

	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Sep. 30, 2023	Change
Balance of segment assets	2,008.7	2,034.4	2,152.5	2,490.6	2,811.8	321.2 +179.7*2
Aviation	1,380.8	1,363.1	1,480.8	1,737.6	1,974.8	237.3
Percentage	68.7%	67.0%	68.9%	69.8%	70.2%	+164.4*2
Shipping	124.3	116.4	100.0	93.3	84.6	-8.7
Percentage	6.2%	5.7%	4.6%	3.7%	3.0%	+0.8*2
Real estate	429.9	462.3	484.7	559.9	639.8	79.9
Percentage	21.4%	22.7%	22.5%	22.5%	22.8%	+13.7*2
Principal Investment and Others *1	73.7	92.6	87.0	99.8	112.5	12.7
Percentage	3.7%	4.6%	4.0%	4.0%	4.0%	+0.9*2

*1 Principal Investment and Others includes the principal investment amounts, factoring and others

*2 Exchange rate factors

Balance of Segment Assets in International Business

Segment assets increased ¥102.1 billion from the end of the previous fiscal year due to increases in the USA and Europe

(Billions of yen)

	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Sep. 30, 2023	Change
Balance of segment assets	510.6	483.1	557.1	655.7	757.8	102.1 +60.3*
Total of Asia	231.7	215.5	227.3	221.0	236.4	15.3
percentage	45.4%	44.6%	40.8%	33.7%	31.2%	+16.7*
ASEAN	199.3	196.9	212.2	210.2	226.3	16.1
percentage	39.0%	40.7%	38.1%	32.1%	29.9%	+16.3*
East Asia	32.4	18.7	15.1	10.8	10.1	-0.8
percentage	6.4%	3.9%	2.7%	1.6%	1.3%	+0.3*
USA and Europe	278.9	267.6	329.8	434.6	521.4	86.8
percentage	54.6%	55.4%	59.2%	66.3%	68.8%	+43.7*
 excl. CSI non-recourse loan	 353.9	 335.9	 389.4	 440.5	 504.4	 63.9

* Exchange rate factors

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 (Q1-Q2)	Total (Annual)	Q1	Q2	Total (Q1-Q2)	
Equipment Leasing	9.1	8.2	6.8	7.7	17.3	31.7	8.8	7.3	16.1	-1.2
Core earnings	9.2	8.0	6.9	7.8	17.2	31.9	8.7	7.4	16.1	-1.1
Gain on sales *1	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc. *2	-0.2	0.2	-0.1	-0.1	0.1	-0.2	0.0	-0.0	0.0	-0.1
Automobility	8.3	7.7	6.8	5.2	16.0	28.0	11.9	8.0	19.9	3.9
Core earnings	8.3	7.8	6.5	5.0	16.1	27.6	11.9	8.0	19.9	3.8
Gain on sales	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc.	-0.0	-0.1	0.3	0.1	-0.1	0.3	0.0	-0.0	0.0	0.1
Specialty Financing	22.3	12.1	11.5	11.1	34.4	57.0	5.9	11.3	17.2	-17.2
Core earnings	10.1	12.0	7.2	8.6	22.1	37.9	7.9	9.4	17.3	-4.8
Gain on sales	12.2	1.0	4.5	4.7	13.2	22.4	0.1	2.7	2.8	-10.4
Impairment, bad debt, etc.	-0.0	-0.9	-0.1	-2.3	-0.9	-3.3	-2.1	-0.9	-2.9	-2.0
International Business	-6.6	-1.1	2.8	4.0	-7.7	-0.9	4.2	3.2	7.4	15.1
Core earnings	4.9	4.9	3.5	3.6	9.9	17.0	4.3	3.1	7.4	-2.4
Gain on sales	-	-	-	0.9	-	0.9	-	-	-	-
Impairment, bad debt, etc.	-11.5	-6.0	-0.8	-0.6	-17.6	-18.9	-0.1	0.1	-0.0	17.5
Environmental Infrastructure	1.7	0.8	-1.0	-1.1	2.6	0.4	3.8	1.7	5.5	2.9
Core earnings	1.7	0.8	1.0	1.4	2.6	5.0	3.7	1.7	5.4	2.8
Gain on sales	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc.	-	-	-2.1	-2.5	-	-4.6	0.1	-0.0	0.1	0.1
Other	-2.8	-3.9	-0.0	-3.2	-6.7	-10.0	-2.8	-4.1	-6.9	-0.2
Core earnings	-2.9	-3.8	-4.2	-3.3	-6.6	-14.1	-2.8	-4.1	-7.0	-0.4
Gain on sales	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc.	0.0	-0.1	4.1	0.1	-0.1	4.2	-0.0	0.1	0.1	0.1
Total	32.0	23.9	26.7	23.6	55.8	106.2	31.8	27.4	59.2	3.4
Core earnings	31.5	29.7	21.0	23.2	61.2	105.4	33.8	25.4	59.2	-2.0
Gain on sales	12.2	1.0	4.5	5.7	13.2	23.4	0.1	2.7	2.8	-10.4
Impairment, bad debt, etc.	-11.7	-6.9	1.3	-5.2	-18.6	-22.5	-2.1	-0.7	-2.8	15.8

*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%
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	100%	
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 HD: 49%, Sompo 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	31.2%	
FFG Lease Co., Ltd. *	Equipment Leasing	General leasing	25%	Fukuoka Financial Group, Inc.:75%
Orico Business Leasing Co., Ltd. *	Equipment Leasing	General leasing	20%	Orient Corporation: 80%
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	34%	Orient Corporation: 66%
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: 38.9%, The Norinchukin Bank: 25%

* Equity-method affiliate

Major Group Companies (Overseas)

Location	Overseas Group Company	Operating Segment	Main Business Operations	Shareholders	
				Tokyo Century	
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%	
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%	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%
U.S.	CSI Leasing, Inc.	International Business	IT equipment leasing	100%	
	Tokyo Century (USA) Inc.	International Business	General leasing	100%	
	AP Equipment Financing (Allegiant Partners Inc.)	International Business	Finance and general leasing	100%	
	ZAXIS Financial Services Americas, LLC	* International Business	Construction machinery finance	35%	ITOCHU Group: 35% Hitachi Construction Machinery Group: 30%

* Equity-method affiliate

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" = "10⁹" and "trillion" = "10¹²")

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