# **Consolidated Financial Results**

For the Fiscal Year Ended March 31, 2024



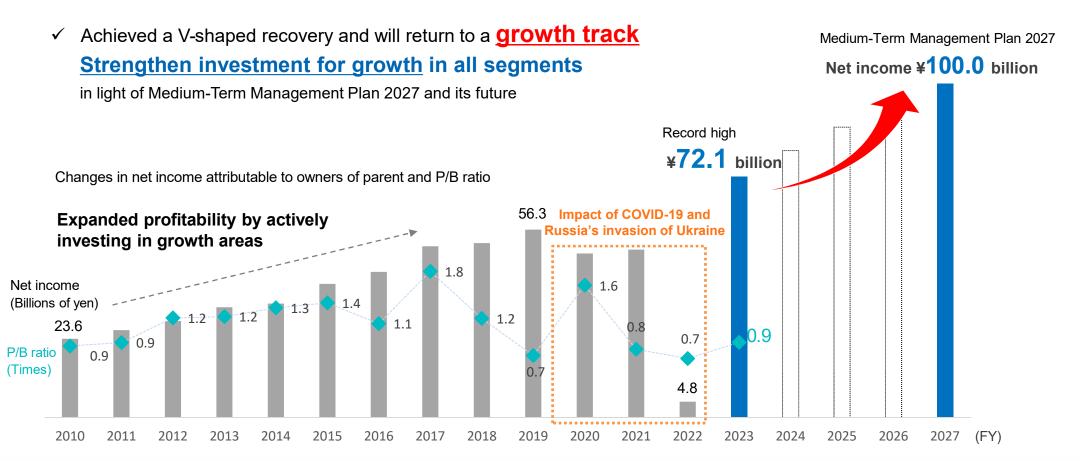
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Progress of Medium-Term Management Plan 2027

# **Executive Summary**

#### Fiscal 2023

- ◆ Net income hit a record high of ¥72.1 billion (up ¥67.4 billion YoY), and the year-end dividend will be increased by ¥2 to ¥ 52 compared to the initial plan.
- Increased profits in all operating segments and started smoothly as the first year of Medium-Term Management Plan 2027.
- Ensured collaboration with the NTT Group—NCS and NTT TC Leasing achieved record-breaking earnings. Facilitated collaboration of data center businesses that are expected to expand the US market with AI.
- ◆ Initiatives for improving asset efficiency (ROA 1.2%) and capital efficiency (ROE 8.8%) remain challenges.



# FY2023 Financial Highlights and FY2024 Forecast

# Net income for fiscal 2024 is forecast to be a record-breaking ¥80.0 billion

(Billions of yen)

	FY2022 Result	FY2023 Forecast	FY2023 Result	Change
Ordinary income	106.2	110.0	117.3	11.1
Net income (loss) attributable to owners of parent	4.8	70.0	72.1	67.4
EPS	¥9.74	¥142.97	¥147.32	¥137.58
Annual dividends	¥35.75	¥50.00	¥52.00	¥16.25
Payout ratio	367.1%	35.0%	35.3%	-331.8pt
ROA (Net income / Total assets)	0.1%	_	1.2%	1.1pt
ROE (Net income / Shareholders' equity)	0.7%	-	8.8%	8.1pt

FY2024	
Forecast	Change
125.0	7.7
80.0	7.9
¥163.38	¥16.06
¥58.00	¥6.00
35.5%	0.2pt

Average foreign exchange rate (USD1)

¥131.63

¥140.67 (Foreign exchange rate for January-December for major overseas subsidiaries)

	Mar. 31, 2023	Mar. 31, 2024	Mar. 31, 2024	
	War. 31, 2023	Forecast	Ivial. 31, 2024	Change
Balance of segment assets	5,363.8	-	5,720.4	356.7
Shareholders' equity	761.6	-	872.2	110.6
Shareholders' equity ratio	12.5%	-	13.5%	1.0pt

Foreign exchange rate at quarter end (USD1)

¥132.70

¥141.82 (Foreign exchange rate for major overseas subsidiaries as of the end of December)

# **FY2023 Net Income by Operating Segment**

Net income increased ¥67.4 billion YoY primarily due to the recovery of Specialty Financing and International Business, as well as the growth of Automobility

### Net income attributable to owners of parent

	FY2022	FY2023	
	Result	Result	Change
Equipment Leasing	22.9	24.2	1.3
Automobility	12.1	16.7	4.5
Specialty Financing	-19.1	30.0	49.1
International Business	-5.9	11.0	16.9
Environmental Infrastructure	0.2	1.9	1.7
Other	-5.4	-11.5	-6.1
Total (Net income)	4.8	72.1	67.4

	(Billions of yen)						
Y2023							

FY2023	
Initial Forecast	% Achievement
24.0	101%
13.0	128%
26.0	115%
14.0	78%
4.0	47%
-11.0	104%
70.0	103%

ROA
(Net income / Segment assets)

FY2023	
Result	Change
1.9%	0.2pt
3.1%	1.1pt
1.1%	-
1.5%	-
0.7%	0.6pt
1.3%	1.2pt

ROA (Net income / Total assets) 1.2% 1.1pt

## **FY2024** Results Forecast

Seeking to set a new record high by accelerating profitability initiatives in all operating segments

### Net income attributable to owners of parent

(Billions of yen)

(Simons of you)						
		FY2023	FY2024			
		Result	Forecast	Change	Major factors for change (Plan)	
	Equipment Leasing	24.2	25.0	0.8	<ul> <li>(+) Collaborative businesses with partners, accumulation of quality assets by improving value of existing businesses</li> <li>(-) Dissipation of one-time factors in FY2023</li> </ul>	
	Automobility	16.7	18.0	1.3	<ul> <li>(+) NRS's further increase in income (strategies for improving branches, increase in passenger demand, including inbound tourism)</li> <li>(-) Dissipation of gain on sales of used vehicles in FY2023, decrease in income received from OAL</li> </ul>	
	Specialty Financing	30.0	34.0	4.0	<ul> <li>(+) ACG's increase in income (increase in gain on sale of aircraft)</li> <li>(-) Dissipation of gain on sales of vessels in shipping business in FY2023</li> </ul>	
	International Business	11.0	13.0	2.0	<ul> <li>(+) Increase in income due to advancing CSI's global strategies</li> <li>(-) Dissipation of gain on sales in FY2023, procurement cost burden of data centers</li> </ul>	
	Environmental Infrastructure	1.9	2.5	0.6	<ul> <li>(+) Accumulation of new projects, dissipation of one-time losses in FY2023</li> <li>(-) Cost burden associated with new overseas investment projects, output control related to power generation businesses</li> </ul>	
	Other	-11.5	-12.5	-1.0		
	Total	72.1	80.0	7.9		

# Results and Challenges of Each Operating Segment for Achieving Medium-Term Management Plan 2027

Automobility achieved the planned amount due in part to NRS's contributions, and Specialty and International Business strive to further enhance earnings power

### Comparison of FY2023 Result and FY2027 Forecast

(Net income attributable to owners of parent)

(Billions of yen)

		FY2023	FY2027				
		Result	Plan	Change	Fiscal 2023 results and challenges for achieving the plan		
Equi	ipment Leasing	24.2	29.0	4.8	NTT TC Leasing's record-breaking income, portfolio transformation (PX) TC's standalone earnings power, joint businesses with partners		
Auto	pmobility	16.7	16.0	-0.7	Achievement of the plan due to large profit contributions from NRS, PX NCS: Accumulation of quality assets with organic and non-organic methods NRS: Strategies for improving branches, capture of inbound demand		
Spec	cialty Financing	30.0	48.0	18.0	ACG's recovery, efficient asset management of shipping and real estate Aviation: Efficient asset management and high-quality portfolio Real estate: Active investment in logistics facility and data centers		
Inter	rnational Business	11.0	21.0	10.0	Participation in data center businesses with the NTT Group in US CSI: Global strategies leveraging M&A Improvement of business models, including bolstering global partnerships		
	ronmental structure	1.9	7.5	5.6	Acquisition of UK's large solar power plants for growth over the long term Earnings expansion from strategic M&A, overseas renewable energy, storage battery businesses Increase in new earnings opportunities using asset management services		
Othe	er	-11.5	-21.5	-10.0			
7	Гotal	72.1	100.0	27.9			

# **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

While adopting a progressive dividend policy as our basic stance, aim to increase dividends per share with profit growth and target a payout ratio of approximately 35%





# **Performance of NTT TC Leasing**



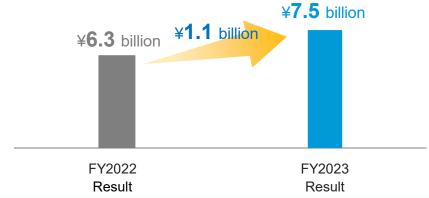
## Consistent increases in NTT TC Leasing's segment assets and equity in earnings of affiliates

#### Financial Results (Fiscal Year Ended March 31, 2024)

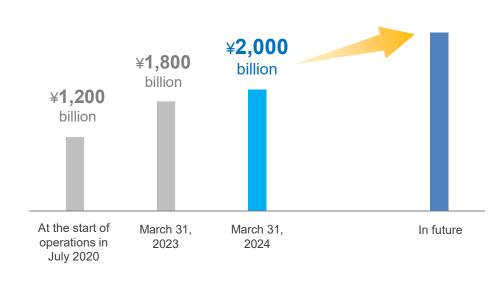
			(billi	ons of yen)
	FY2022	FY2023		
	Result	Result	Change	% Change
Revenues	384.7	376.0	-8.8	-2%
Gross profit	34.2	38.0	3.7	11%
Operating income	17.4	20.0	2.5	14%
Ordinary income	18.6	21.4	2.9	15%
Net income attributable to owners of parent	12.8	15.0	2.2	17%
Equity in earnings of affiliates(TC)	6.3	7.5	1.1	18%

	Mar. 31, 2023	Mar. 31, 2024	Change	% Change
Segment assets	1,780.7	1,962.0	181.3	10%

#### <TC's equity in earnings of affiliates>



### **Changes in Segment Assets**



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

Environment & Energy

Financing for solar and biomass power generation businesses

**Real Estate** 

Enhancement of relationship between NTT and TC

Global Business

Financing for overseas data center businesses between the NTT Group and TC

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





# Improved Profitability of Car Rental Business

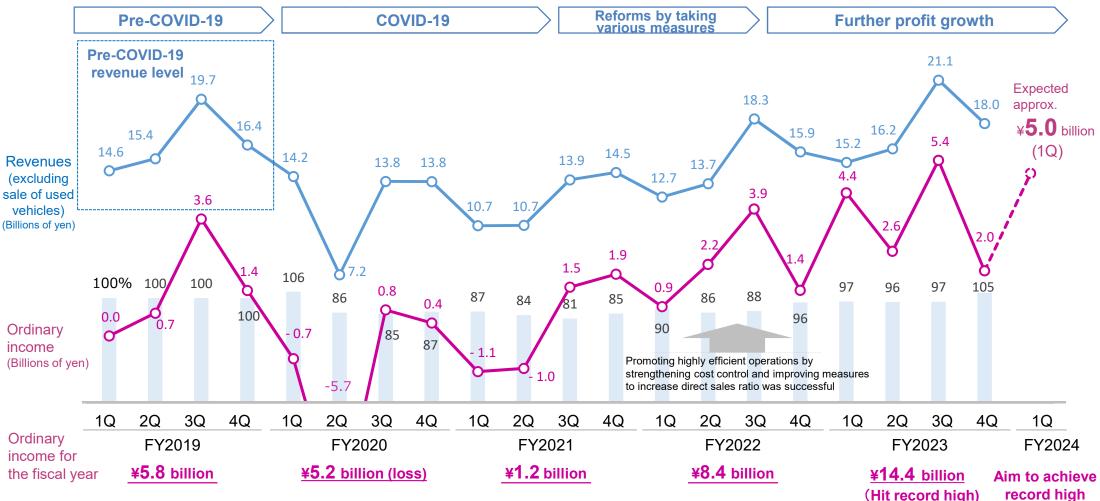


Achieved a new record high by implementing high-efficiency operations and capturing inbound demand

#### **■** Car Rental Performance Trends (Quarterly)

Revenues (excluding sale of used vehicles) Ordinary income

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





# **ACG's Growth Strategies**

Aiming to improve earnings power, including promoting asset turnover, against the backdrop of a favorable operating environment

Operating environment

Increasing demand for leasing and sale of aircraft associated with a short supply of aircraft

Risks

Rising costs for refinancing and new financing due to the federal funds rate remaining high and delays in order aircraft delivery

(USD million) 269 Income/Loss before income taxes 216 138 135 105 Seeking to improve asset efficiency by increasing lease revenues and gain 11,964 11.297 on sales and reducing the risk of loss 10.785 10,315 9.934 9.250 Segment assets FY2018 FY2019 FY2024 FY2027 FY2020 FY2021 FY2022 FY2023 Plan Plan

\*1: Figures excluding losses related to Russia



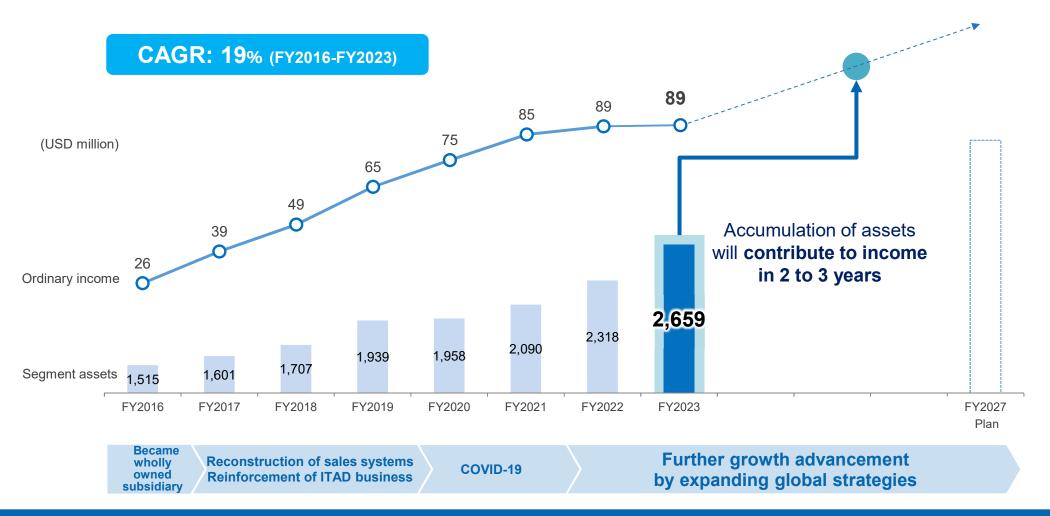
COVID-19 and Russia's invasion of Ukraine



# **CSI's Growth Strategies**

Achievement of high growth since conversion into a consolidated subsidiary by TC in FY2016 CSI's growth is expected to be further pursued by its global strategies

CSI's ordinary income compared to FY2016 expanded more than threefold





# **Data Center Businesses with the NTT Group**

Further promote data center (DC) businesses with the NTT Group in the U.S.

#### (1) Outline

- Investment in the NTT Group's three data centers in Chicago, US
- Acquisition costs: \$459 million (ownership ratio: 80%)
- Largest-ever investment as a co-creative project with the NTT Group

Data centers in Chicago, US



#### (2) Profitability

Future expectations

# DC market's expansion and growth with the development of generative Al

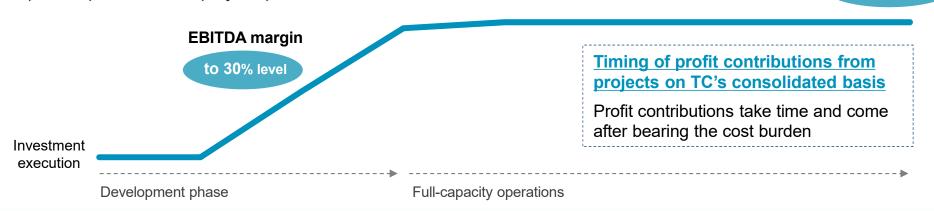


# Increase in business value through acquiring stable cash flows

# Image of EBITDA trends\*1 (Development-based projects)

\*1 Profitability that does not take into account interest expenses and depreciation. Estimated value calculated by TC based on past data and other figures.

40 to 50% level

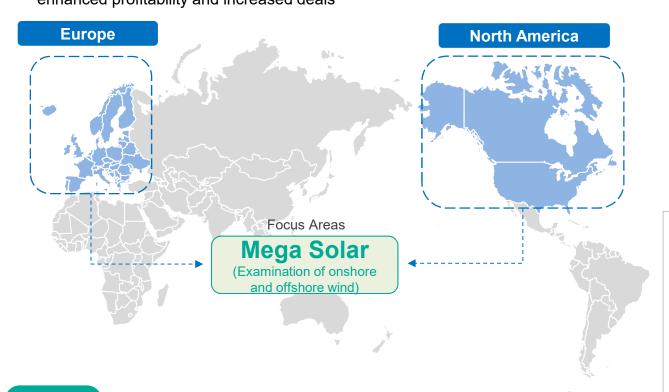




# Overseas Business Development Approach of Environment-Related Businesses

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**

### 1st: Acquisition of UK's solar portfolio



**Schroders** greencoat

The investment amount is approximately more than ¥10 billion

Joint investment partner

Focus on development projects with high profitability

Portfolio outline

Generation capacity is **303 MW** (simple sum)
Holding period is expected to be over 5 years

Point 2

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

Reference Material (1)
Results by Operating Segment



(Net income / Segment assets)

# **Results of Equipment Leasing**

			(Billio	ns of yen)
	FY2022	FY2023		
	Result	Result	Change	% Change
Revenues	481.8	459.0	-22.8	-5%
Gross profit	37.4	36.8	-0.6	-2%
Operating income	24.9	24.4	-0.6	-2%
Ordinary income	31.7	32.1	0.3	1%
Net income attributable to owners of parent	22.9	24.2	1.3	6%
ROA (%) (Ordinary income / Segment assets)	2.4%	2.5%	0.1pt	
ROA (%) (Net income / Segment assets)	1.7%	1.9%	0.2pt	

	Mar. 31, 2023	Mar. 31, 2024	Change	% Change
Seament assets	1.287.1	1.273.5	-13.6	-1%

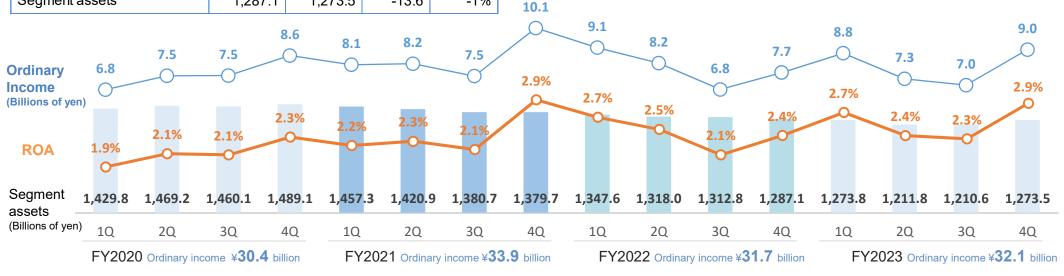
### Major factors for change

### **Ordinary income**

 Increased due to profit contributions from affiliated companies, including NTT TC Leasing

#### **ROA** status

Conversion of former subsidiary Orico Business Leasing into an equitymethod affiliate and promotion of portfolio management focused on asset efficiency helped ROA improve



<sup>\*</sup> ROA is calculated on an annualized basis based on ordinary income for each quarter





# **Results of Automobility**

(Billions of yen)

		(Billions of yen)			
		FY2022	FY2023		
		Result	Result	Change	% Change
R	evenues	354.4	338.1	-16.3	-5%
G	ross profit	80.6	87.6	7.0	9%
0	perating income	27.7	31.8	4.1	15%
0	rdinary income	28.0	32.5	4.6	16%
	NCS	16.5	16.6	0.1	0%
	NRS	8.4	14.4	6.0	72%
	OAL	3.3	1.6	-1.7	-51%
	Other	-0.2	-0.1	0.1	
_	t income attributable owners of parent	12.1	16.7	4.5	37%
	OA(%) dinary income / Segment assets)	4.6%	6.0%	1.4pt	
	NCS	4.7%	4.7%	-	
	NRS	19.7%	32.5%	12.8pt	
	OAL	1.5%	1.1%	-0.4pt	
	OA(%) et income / Segment assets)	2.0%	3.1%	1.1pt	
		Mar. 31, 2023	Mar. 31, 2024	Change	% Change
S	egment assets *3	611.6	479.0	-132.6	-22%

### Major factors for change

#### **Ordinary income**

#### NCS

Set a new record high mainly due to replacing assets with those of projects with high profitability and an increase in gain on sales of vehicles due to flexibly selling leased vehicles whose contracts have expired in a timely manner

#### ■ NRS\*1

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

\*1 For performance and other details of NRS, see P11

#### OAL

Decreased, due to conversion into an equity-method affiliate\*2

\*2 OAL had been a subsidiary until 2Q FY2023. After 3Q FY2023, as an equity-method affiliate, profits from a 34% stake in OAL are incorporated.

<sup>\*3</sup> At the end of the second quarter, Orico Auto Leasing transitioned from a consolidated subsidiary to an equity-method affiliate. For this reason, the balance of its segment asset decreased ¥144.3 billion.



# **Results of Specialty Financing**

(Bil	lions	of	yen)	)

				(11111	ons or yen)
		FY2022 Result	FY2023 Result	Change	%Change
Re	evenues	293.0	312.4	19.4	7%
Gr	oss profit	74.9	72.6	-2.3	-3%
Op	perating income	53.3	44.0	-9.3	-17%
Or	dinary income	57.0	47.4	-9.7	-17%
	Aviation	13.6	22.2	8.6	63%
	ACG	10.2	15.0	4.8	47%
	Others	3.5	7.3	3.8	110%
	Shipping	7.2	6.4	-0.8	-11%
	Real Estate	22.3	16.7	-5.5	-25%
	Principal Investment and Others	13.9	2.0	-11.9	-85%
	Gain on Sales <sup>*1</sup>	10.5	0.7	-9.8	-94%
	Others	3.5	1.3	-2.1	-61%
	income attributable owners of parent	-19.1	30.0	49.1	
	DA(%) dinary income / Segment assets)	2.5%	1.8%	-0.7pt	
	Aviation	0.8%	1.2%	0.4pt	
	ACG	0.7%	0.9%	0.2pt	
	Others	1.7%	3.6%	1.9pt	
	Shipping	7.4%	7.1%	-0.3pt	
	Real Estate	4.3%	2.7%	-1.6pt	
	Principal Investment and Others	14.9%	1.8%	-13.1pt	
	OA (%) t income / Segment assets)	-	1.1%	-	
		Mar. 31, 2023	Mar. 31, 2024	Change	%Change

# Mar. 31, 2023 Mar. 31, 2024 Change %Change Segment assets 2,490.6 2,825.3 334.7 13%

### Major factors for change

### **Ordinary income**

- Aviation
- Ordinary income (ACG)\*2 increased due to cash collection from airlines using cash basis accounting.
- 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)



#### Real Estate

Decreased, mainly due to a decline in gain on sales

#### Principal Investment and Others

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



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

<sup>\*2</sup> For performance and other details of ACG, see P28



# **Results of International Business**

(Billions of yen)

				(Dillio	110 01 90117
		FY2022	FY2023		
		Result	Result	Change	% Change
Re	evenues	145.0	177.6	32.6	22%
Gı	oss profit	31.5	54.8	23.3	74%
O	perating income	-1.7	16.1	17.8	-
Oı	dinary income	-0.9	16.5	17.4	-
	Asia	-13.3	2.3	15.6	-
	USA and Europe	12.7	14.5	1.7	14%
	CSI	10.7	11.5	0.8	8%
	Other	2.1	3.0	0.9	45%
	Other	-0.4	-0.3	0.1	
	income attributable owners of parent	-5.9	11.0	16.9	
	DA (%) dinary income / Segment assets)	-	2.2%	-	
	Asia	-	1.0%	-	
	USA and Europe	3.3%	2.8%	-0.5pt	
	CSI	3.8%	3.3%	-0.5pt	
	Other	2.1%	1.9%	-0.2pt	
	DA(%) t income / Segment assets)	-	1.5%	-	
		Mar. 31,	Mar. 31,	Change	% Change
		2023	2024		
Se	egment assets	655.7	822.7	167.0	25%

### Major factors for change

### **Ordinary income**

#### Asia

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

### USA and Europe

#### CSI\*

Increased, mainly due to the impact of the exchange rate fluctuations despite leveling off on a local currency basis.

Other overseas subsidiaries Increased, mainly due to gain on sales despite higher funding costs

<sup>\*</sup> For performance and other details of CSI, see P33



# **Results of Environmental Infrastructure**

(Billions of yen)

		•	, ,
FY2022 FY2023			
Result	Result	Change	% Change
51.3	59.7	8.4	16%
6.2	6.3	0.1	1%
2.0	3.6	1.6	78%
0.4	3.8	3.5	910%
0.2	1.9	1.7	805%
0.2%	1.4%	1.2pt	
0.1%	0.7%	0.6pt	
Mar. 31, 2023	Mar. 31, 2024	Change	% Change
277.9	273.9	-4.0	-1%
	Result 51.3 6.2 2.0 0.4 0.2  0.2%  Mar. 31, 2023	Result         Result           51.3         59.7           6.2         6.3           2.0         3.6           0.4         3.8           0.2         1.9           0.2%         1.4%           0.1%         0.7%           Mar. 31, 2023         Mar. 31, 2024	Result         Result         Change           51.3         59.7         8.4           6.2         6.3         0.1           2.0         3.6         1.6           0.4         3.8         3.5           0.2         1.9         1.7           0.2%         1.4%         1.2pt           0.1%         0.7%         0.6pt           Mar. 31, 2023         Change

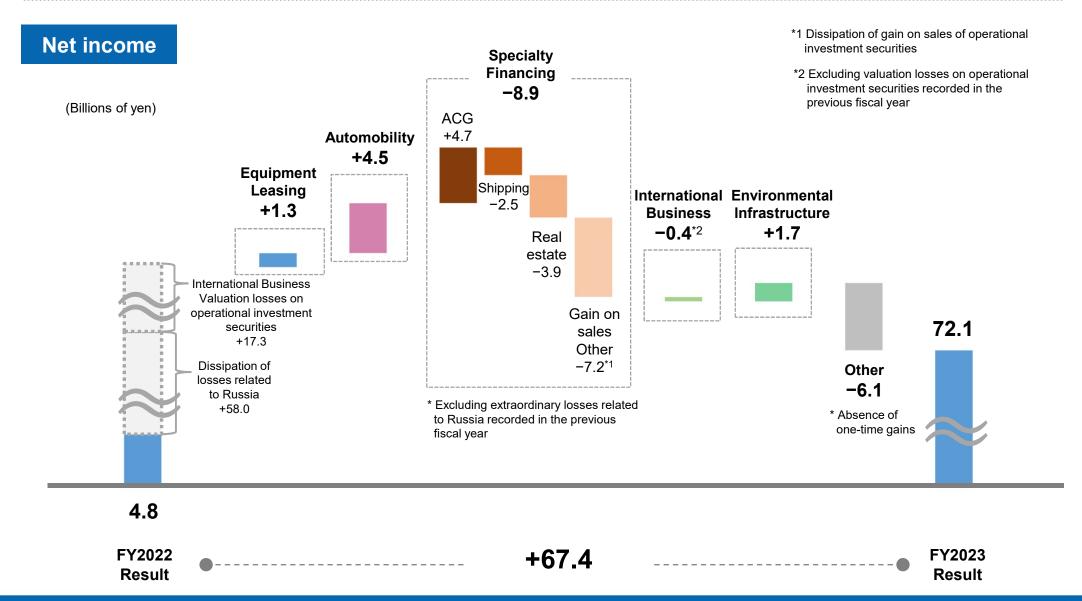
### **Major factors for change**

### **Ordinary income**

- Increased, mainly due to the dissipation of losses on valuation of inventories and expenses associated with the trial operation of a new power plant\* recorded in the previous fiscal year
  - \* The biomass co-firing power plant of Shunan Power Corporation started operations in September 2022

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

Net income increased due to the growth of ACG and Automobility despite a decrease in gain on sales in Specialty Financing



# **Ordinary Income by Operating Segment**

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

### **Ordinary income**

(Billions of yen)

ROA	
(Ordinary income / Segment assets)	)

	FY2022	FY2023	
	Result	Result	Change
Equipment Leasing	31.7	32.1	0.3
Automobility	28.0	32.5	4.6
Specialty Financing	57.0	47.4	-9.7
International Business	-0.9	16.5	17.4
Environmental Infrastructure	0.4	3.8	3.5
Other	-10.0	-15.0	-5.0
Total (Ordinary income)	106.2	117.3	11.1

	(Billions of yen)
FY2023	Г
Initial Forecast	% Achievement
33.0	97%
28.5	114%
39.5	120%
18.5	89%
6.5	59%
-16.0	94%
110.0	107%

FY2023	
Result	Change
2.5%	0.1pt
6.0%	1.4pt
1.8%	-0.7pt
2.2%	-
1.4%	1.2pt
2.1%	_

ROA (Ordinary income	/ Total assets)
1.9%	

# **Balance of Segment Assets by Operating Segment**

Segment assets increased ¥356.7 billion from the end of the previous fiscal year primarily due to increases in Specialty Financing and International Business in addition to exchange rate factors

(Billions of yen)

							(Dimerio di ye
		Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Change
ance of segm	ent assets	4,773.0	4,800.5	4,879.4	5,363.8	5,720.4	<b>356</b> +19
Equipment Lea	asing	1,471.1	1,489.1	1,379.7	1,287.1	1,273.5	*1 -13
	Percentage	30.8%	31.0%	28.3%	24.0%	22.3%	
Automobility		631.2	629.5	611.8	611.6	479.0	*1 -132
	Percentage	13.2%	13.1%	12.5%	11.4%	8.4%	
Specialty Finar	ncing	2,008.7	2,034.4	2,152.5	2,490.6	2,825.3	334
	Percentage	42.1%	42.4%	44.1%	46.4%	49.4%	+13
International Bu	usiness	510.6	483.1	557.1	655.7	822.7	167
	Percentage	10.7%	10.1%	11.4%	12.2%	14.4%	+5
Environmental	Infrastructure	139.2	150.3	159.4	277.9	273.9	-4
	Percentage	2.9%	3.1%	3.3%	5.2%	4.8%	4
Other		12.2	13.9	19.0	41.0	46.0	5
	Percentage	0.3%	0.3%	0.4%	0.8%	0.7%	

<sup>\*1</sup> At the end of the second quarter, Orico Business Leasing and Orico Auto Leasing transitioned from consolidated subsidiaries to equity-method affiliates. For this reason, the balance of segment assets decreased ¥55.7 billion in Equipment Leasing and ¥144.3 billion in Automobility, separately.

Reference Material (2)
Topics

# **Quarterly Changes in Results by Subsidiary and Affiliate in Automobility**

## NRS performed well and hit record highs for two consecutive fiscal years

				FY 2022					FY 2	2023		
		Q1	Q2	Q3	Q4	Total (Annual)	Q1	Q2	Q3	Q4	Total (Annual)	Change (YoY)
	NCS	54.0	49.2	47.4	46.9	197.5	54.3	50.9	49.7	48.2	203.0	5.5
Revenues (Billions of	NRS <sup>*1</sup>	16.3	18.0	20.4	19.9	74.6	22.9	20.0	23.8	27.0	93.8	19.2
yen)*3	OAL*2	20.8	22.2	22.4	23.1	88.5	22.3	22.8	-	-	45.1	-43.5
	Total	91.2	89.4	90.2	89.9	360.6	99.5	93.7	73.5	75.2	341.9	-18.8
	NCS	6.8	5.0	2.2	2.4	16.5	6.9	4.9	2.7	2.1	16.6	0.1
Ordinary	NRS	0.9	2.2	3.9	1.4	8.4	4.4	2.6	5.4	2.0	14.4	6.0
income (Billions of	OAL	0.6	0.5	0.7	1.4	3.3	0.6	0.5	0.2	0.4	1.6	-1.7
yen)	Other	-0.0	-0.0	-0.1	-0.1	-0.2	-0.1	-0.0	-0.1	0.0	-0.1	0.1
	Total	8.3	7.7	6.8	5.2	28.0	11.9	8.0	8.2	4.5	32.5	4.6
Balance of	NCS	351.8	348.3	345.7	348.3		346.3	351.3	355.9	360.5		12.2
segment	NRS	41.7	41.5	49.3	44.7		44.7	44.5	53.7	44.0		-0.7
assets	OAL	214.2	215.0	218.4	216.5		222.1	68.6	70.8	72.2		-144.3
(Billions of yen)	Other*4	2.4	2.2	2.1	2.1		1.9	1.8	1.9	2.3		0.2
yen)	Total	610.1	607.0	615.5	611.6		615.1	466.1	482.3	479.0		-132.6
	NCS	673	679	680	683		687	688	690	690		6
Number of	NRS	44	49	44	44		46	51	46	45		1
vehicles	OAL <sup>*5</sup>	172	173	175	178		180	182	183	184		6
(Thousand)	Duplication adjustment	-176	-177	-179	-182		-184	-185	-187	-187		-6
	Total	713	724	720	724		729	736	732	731		7

<sup>\*1</sup> Fiscal period of NRS ends in December

<sup>\*2</sup> OAL transitioned from a consolidated subsidiary to an equity-method affiliate at the end of the second quarter of fiscal 2023

<sup>\*3</sup> Revenues = Simple sum of three companies

<sup>\*4</sup> Intercompany adjustment within the companies in Automobility

<sup>\*5</sup> OAL, an equity-method affiliate, reports the total number of vehicles it owns

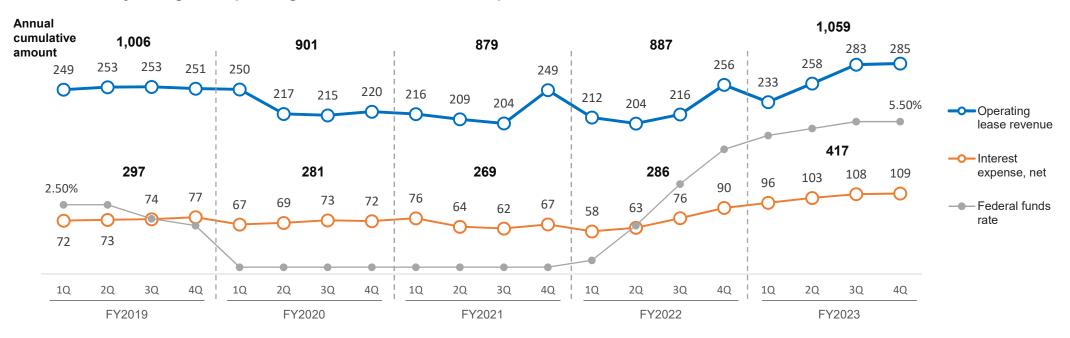


# **Aviation Business ACG's Earnings Power Changes**

## Net spreads holding despite sharp increase in federal funds rate

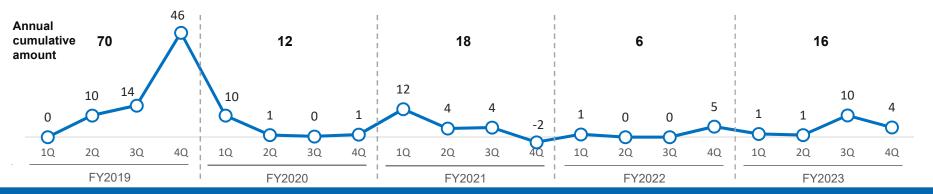
1. Quarterly changes in operating lease revenue, interest expense, net, and federal funds rate

(USD million)



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

(USD million)





# **ACG's Financial Performance (1)**

Increases 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 (Fiscal Year Ended December 31, 2023)

AC	G's Result			(	USD million)
		FY2022	FY2023		
		Result	Result	Change	%Change
То	tal revenues	1,005	1,210	205	20%
	Operating lease revenue	887	1,059	171	19%
	Gain on sale of flight equipment, net	6	16	10	174%
То	tal expenses	1,594	1,072	-521	-33%
	Interest expense, net	286	417	131	46%
	Asset impairment	153	20	-133	-87%
	Losses incurred from Russia exposure	575	-	-575	-
	Bad debt expense	-16	2	19	-
Inc	come/Loss before income taxes	-589	138	726	-
Ne	t Income/Loss	-589	153	742	-
RO	OA (%)	-	1.2%	-	
Nu	mber of owned aircraft	289	309	20	7%
		Dec. 31, 2022	Dec. 31, 2023	Change	%Change
Se	gment assets	11,297	11,964	667	6%

#### ACG's Result

(recorded on TC's consolidated statements of income)

(Billions of yen)

`	,		`	,
	FY2022	FY2023		
	Result	Result	Change	%Change
Income/Loss before income taxes	-77.5	19.4	96.8	-
Consolidated adjustment *	87.6	-4.4	-92.0	-
Ordinary income	10.2	15.0	4.8	47%
Extraordinary loss	74.8	-	-74.8	-
Average foreign exchange rate	¥131.63	¥140.67		

#### 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 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 purchases as passenger demand recovered



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



# **ACG's Financial Performance (2)**

## Increases both in income and revenues YoY on the background of favorable aviation market

### Financial Results (Three Months Ended March 31, 2024)

AC	:G's Result			(	USD million)
		FY2023	FY2024		
		Q1 Result	Q1 Result	Change	%Change
То	tal revenues	258	309	51	20%
	Operating lease revenue	233	283	50	22%
	Gain on sale of flight equipment, net	1	15	14	982%
То	tal expenses	244	263	19	8%
	Interest expense, net	96	103	7	7%
	Asset impairment	0	2	2	568%
	Bad debt expense	-	0	0	-
Inc	come/Loss before income taxes	14	46	32	227%
Ne	t Income/Loss	14	43	29	208%
RC	DA (%)	0.5%	1.5%	1.0pt	
		Dec. 31, 2023	Mar. 31, 2024	Change	%Change
Se	gment assets	11,964	11,737	-227	-2%
Nu	mber of owned aircraft	309	305	-4	-1%

#### Revenues

Increased due to higher operating lease revenue and gain on sales of aircraft stemming from the aviation market recovery

- Income/Loss before income taxes Increased mainly due to significant increases in operating lease revenue and gain on sale of aircraft, offsetting the impact of higher interest rates
- Segment assets Decreased due to aircraft sales exceeding the number of new aircraft received (3 aircraft)



# **ACG's Capital Procurement Activities**

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

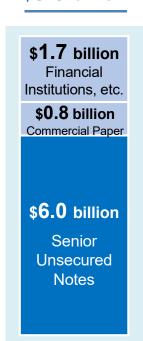
#### **Fund Procurement Strategies**

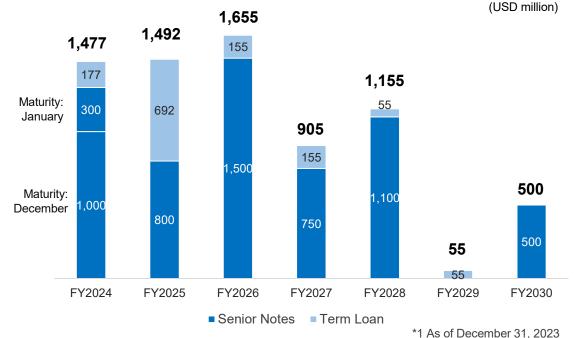
- ACG builds flexibility into its funding strategy by accessing multiple capital sources. In addition to the issuance of senior notes in the US bond market, ACG leverages Tokyo Century's and its own relationships to borrow from financial institutions globally. This balanced funding strategy helps to 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\*1 (excluding commercial paper, etc.)

#### \$8.5 billion





### 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 July: Secured Revolving
Credit Facility
(\$500 million)

Availability Period: 3 years Maturity: 2030



## **ACG's Portfolio**

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

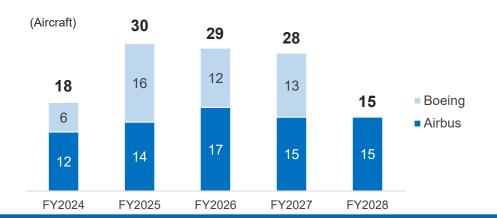
### Portfolio Overview (as of December 31, 2023)

- → Owned, managed and committed aircraft: 488
  - (Owned: 309 Managed: 59 Committed aircraft: 120)
- → Weighted average fleet age: 6.1 years
- Narrowbody by NBV: 90 %
  (Narrowbody by count: 97%)

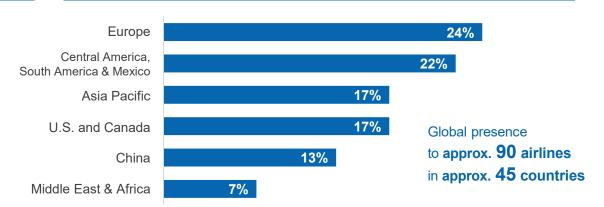
# **Delivery Schedule of Committed Aircraft** (as of December 31, 2023)

- All orders are new technology narrowbody aircraft with higher fuel efficiency
- Receiving many inquiries from airlines in view of rising fuel costs and decarbonization

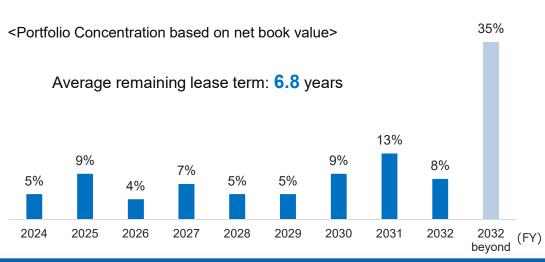
(Percentage of new technology aircraft in owned fleet: 43%)



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



# Portfolio Concentration by Lease Maturity (as of December 31, 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

Expecting to increase segment assets by steadily ensuring project 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, as well as logistics facilities and rental housing that experience ongoing stable growth

### **Project Completion Schedule**

#### Urban redevelopment projects







Tokiwabashi (around Tokyo station)

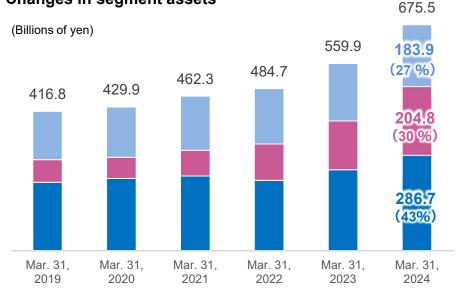
TOKYO TORCH (Building B)

Legendary-luxury brand Dorchester Collection to open its hotel

Uchisaiwaicho 1chome area

South block (South Tower)

### Changes in segment assets



- TC Kobelco Real Estate
- Overseas(fund investments, etc.)
- Japan(leasing, development projects, etc.)





Project of renewable energy business collaboration between TC and TC Kobelco Real Estate



Investment expansion focused on development projects



2027 onward



# **CSI's Performance**









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

### Financial Results (Fiscal Year Ended December 31, 2023)

(USD	mıl	lion)

(COD ITIIIIOT)						
	FY2022 Result	FY2023 Result	YoY Change	% YoY Change		
Revenues	764	851	87	11%		
Gross profit	346	399	54	15%		
Ordinary income	89	89	0	1%		
Net income	59	62	3	5%		

ROA (%) *1	4.0%	3.6%	-0.4pt	
RORA (%) *1, 2	13.3%	12.2%	-1.1pt	
Transaction volume	1,514	1,647	134	9%

	Dec. 31,	Dec. 31,	YoY	%YoY
	2022	2023	Change	Change
Segment assets	2,318	2,659	341	15%

<sup>\*1</sup> Ordinary income base \*2 ROA after deducting non-recourse loan

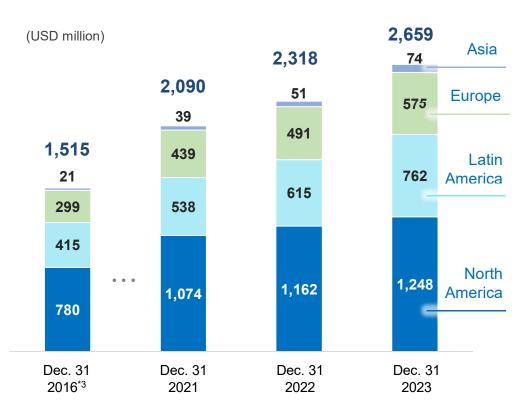
### **Major Factors for Change**

- Lease income remained strong in conjunction with accumulating segment assets
- Ordinary income leveled off 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



\*3: Became a wholly owned subsidiary of TC





# **CSI's Global Strategies**

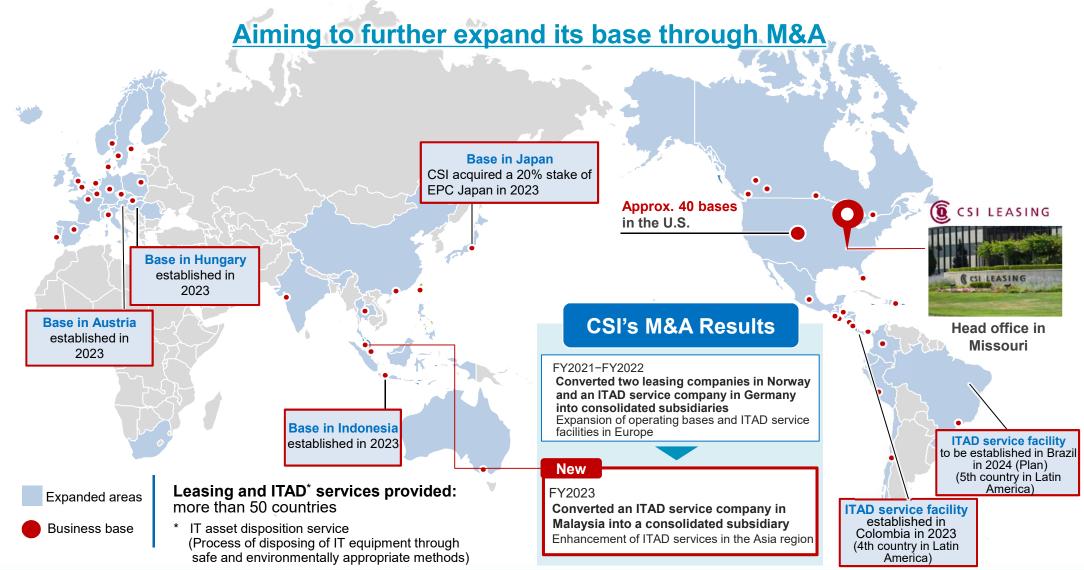








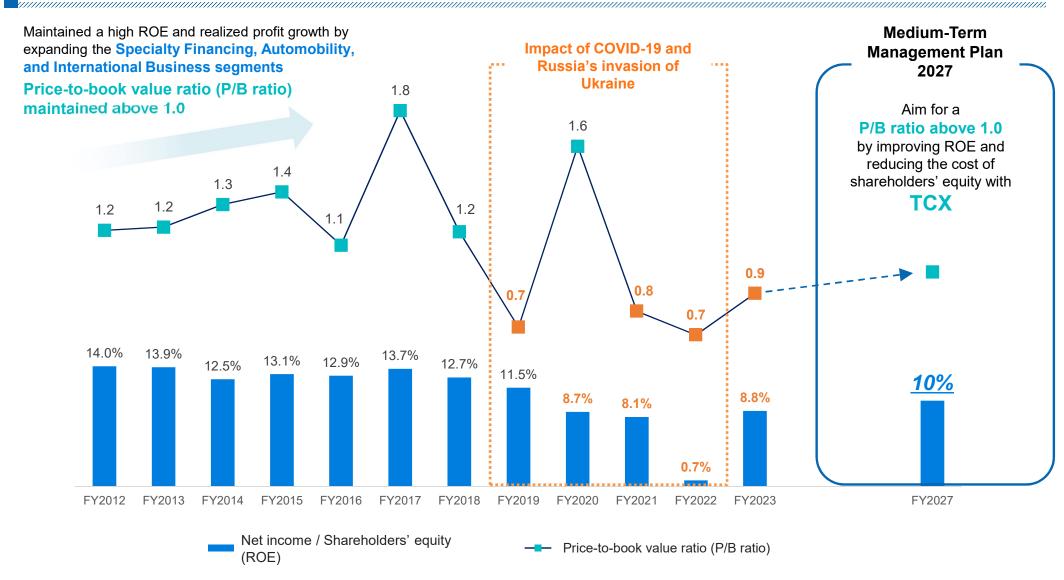
Expanding its global network for facilities providing ITAD services that are growing in demand in addition to increasing its operating base



Reference Material (3)
Actions for Realizing Management That
Emphasizes Cost of Capital and Stock Price

### **ROE** and P/B Ratio

## Analysis for P/B ratio above 1.0



<sup>\*</sup> The above P/B ratios are calculated based on the closing stock price at the end of each fiscal year.

## Initiatives for Improving the P/B Ratio

Aim to achieve ROE above 10% and reduce cost of shareholders' equity by promoting TCX (TC Transformation)

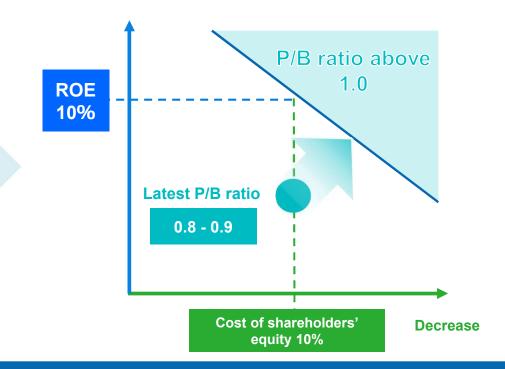
and eliminating information asymmetry through constructive dialogue with shareholders and investors, leading to P/B ratio above 1.0



Diagrams illustrate initiatives for achieving P/B ratio above 1.0

Transformation to P/B ratio above 1.0

Improve ROE	Strengthen portfolio
	Increase value of existing businesses
	Replace/divest unprofitable assets
	Facilitate asset turnover in business investments
	Explore new business fields (including GX, DX)
	Enhance risk management
	Resolve social issues addressing carbon neutrality
	Utilize DX to establish business base
	Strengthen human resources and organization
	Strengthen investor relations
Reduce cost of shareholders' equity	Reduce performance volatility and cultivate anticipation for growth



Reference Material (4)
Promotion of Collaboration with Partner Companies

## 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







**Auto leasing** 

NTT Auto Leasing and

Century Auto Leasing

integrated operations

which aims to convert

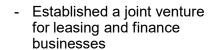
Promoting EV100,

100% of the NTT

EVs by 2030

Group's vehicles to





**Expand business** collaboration with Equipment Leasing in co-creation projects

FY2023

Equity in earnings of

affiliates

¥7.5 billion

NTT・TCリース



for renewable energy businesses



## **Environment and** energy

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

Investment fund



#### **Data centers**

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

India

Mumbai8



Data centers in Chicago



Real estate

Conducted a

facility in the

City

building lease for

the new market

redevelopment

local wholesale

project of the public

market in Toyama

## Collaboration with CSI

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



FY2023 Ordinary income

¥16.6 billion



## **Collaboration with ITOCHU Corporation**





## Advancing collaboration with the ITOCHU Group in various businesses

# Construction machinery and truck finance



#### **ZAXIS** Finance



- Entered into the North American construction machinery market, where stable demand is expected to grow in the fields such as home construction and infrastructure.
- Shareholding Ratio: ITOCHU 35%
   Hitachi Construction Machinery 30%
   TC 35%



## **ITOCHU TC Construction Machinery**

- Sales and rentals of construction machinery and construction materials in Japan
- Shareholding Ratio: TC 50% ITOCHU 50%



#### **IFA**



 Collaboration on North American truck finance business with the ITOCHU Group

#### **FamilyMart**



#### **Leasing of store fixtures for FamilyMart**

Leasing of store fixtures for convenience store operator
 FamilyMart Co., Ltd. and digital signage equipment and providing asset management services

#### Environment and energy



# Domestic and overseas solar power generation businesses

- Collaboration on domestic and overseas solar power generation and biomass power generation projects
- Aim for further business expansion mainly in overseas countries



#### **IBeeT**

Subscription service for storage batteries
 Shareholding Ratio: TC 50% ITOCHU 50%



## Hydrogen infrastructure investment



 TC jointly invested in Clean H2 Infra Fund, the world's first large-scale clean hydrogen infrastructure investment fund of France

#### **Mobile devices**



#### **Belong**

 Collaborate with Belong, Inc., ITOCHU's wholly owned subsidiary, which provides secondhand smartphone and tablet rental service for corporate users

Expansion of collaboration in potential growth fields, including construction machinery and truck finance, environment and energy, mobile devices, and FamilyMart-related businesses



Reference Material (5)
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 above 1.0

- 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 <sup>*1</sup>							
Net income attributable to owners of parent (Billions of yen)	100.0						
ROA (ratio of net income to total assets)	1.4%						
ROE	10%						

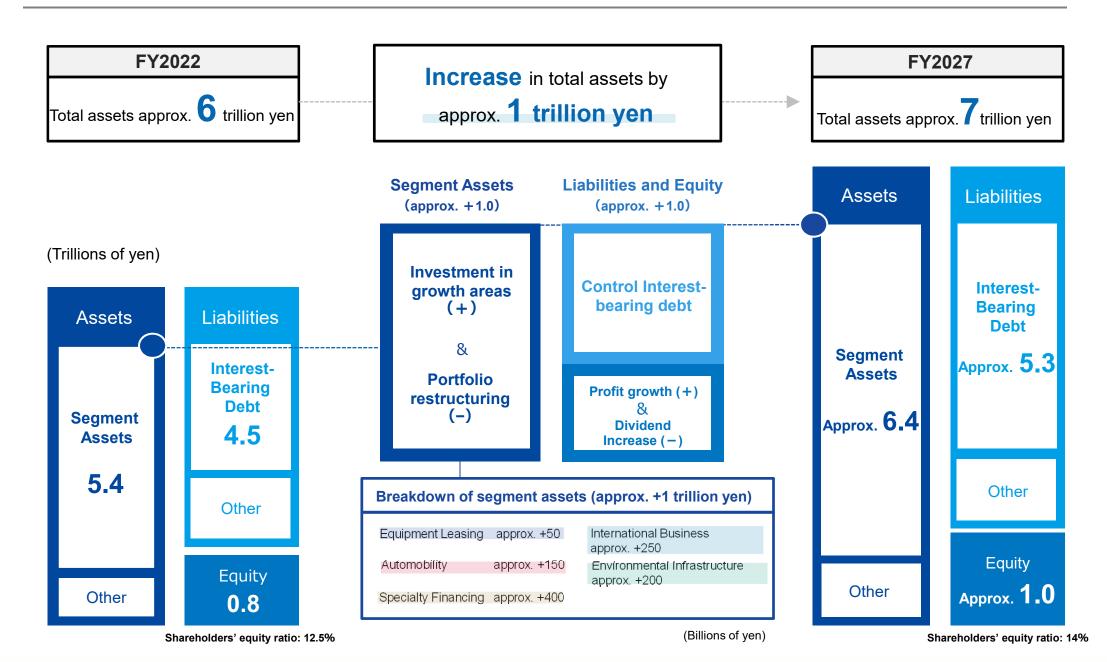
Non-financial KPI							
Initiatives for realizing 50% GHG emissions reduction by FY2030*2	33%-50%						
Employee engagement index*3 (including for participating Group companies)	Maintain/improve ratio of positive responses						

<sup>\*1</sup> FY2027 estimated foreign exchange rate: 1US\$=¥130

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

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

## **Balance Sheet Management**



# Reference Material (6) Financial Data

In addition to this document, financial information updated in DATA BOOK (Excel format) is disclosed in the IR Library on the Company's website quarterly. <a href="https://www.tokyocentury.co.jp/en/ir/library/2023.html">https://www.tokyocentury.co.jp/en/ir/library/2023.html</a>

## Statement of Income

(Billions of yen)

		#	FY2022	FY2023		·
		"	Result	Result	Change	%Change
Revenues		1	1,325.0	1,346.1	21.2	1.6%
Со	sts	2	1,099.5	1,092.9	-6.5	-0.6%
	Funding cost	3	67.7	101.9	34.3	50.6%
Gro	oss profit	4	225.5	253.2	27.7	12.3%
SG	6&A expenses	5	134.3	149.0	14.7	10.9%
	Personnel expenses	6	76.2	83.9	7.7	10.1%
	Non-personnel expenses	7	57.5	62.3	4.8	8.4%
	Credit costs	8	0.5	2.7	2.2	402.9%
Ор	erating income	9	91.2	104.2	13.0	14.3%
No	n-operating income and expenses	10	15.0	13.1	-1.9	-12.7%
Or	dinary income	11	106.2	117.3	11.1	10.5%
Ext	traordinary income and losses	12	-70.6	0.7	71.3	-
Inc	ome before income taxes	13	35.6	118.0	82.4	231.5%
Inc	ome taxes	14	21.1	35.5	14.4	68.2%
Net income		15	14.5	82.5	68.0	468.7%
	t income attributable to non- ntrolling interests	16	9.7	10.4	0.6	6.6%
	t income attributable to owners of rent	17	4.8	72.1	67.4	-

## **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 expenses

Decreased mainly due to an increase in interest expense and a decrease in dividend income

### Ordinary income

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

# Net income attributable to owners of parent

Increased mainly due to the dissipation of losses related to Russia of ¥58.0 billion, which was recorded in the previous fiscal year

## **Balance Sheet**

(Billions of yen)

			#	Mar. 31,	Mar. 31,		
			π	2023	2024	Change	%Change
To	tal	assets	1	6,082.1	6,460.9	378.8	6.2%
	Cu	rrent assets	2	2,996.8	2,938.9	-57.9	-1.9%
	No	n-current assets, etc.	3	3,085.3	3,522.1	436.7	14.2%
		Leased assets	4	2,232.5	2,498.8	266.3	11.9%
		Leased assets advance payment	5	81.1	94.0	12.8	15.8%
		Other operating assets	6	215.0	244.9	30.0	13.9%
		Investment securities	7	325.7	404.2	78.4	24.1%
		Others	8	231.0	280.2	49.2	21.3%
To	tal	liabilities	9	5,193.1	5,449.8	256.6	4.9%
	Cu	rrent liabilities	10	2,106.2	2,142.1	35.9	1.7%
	Lor	ng-term liabilities	11	3,086.9	3,307.7	220.7	7.2%
Total net assets		12	889.0	1,011.2	122.2	13.7%	
	Shareholders' equity		13	761.6	872.2	110.6	14.5%
	No	n-controlling interests, etc.	14	127.4	138.9	11.6	9.1%

## **Major Factors for Change**

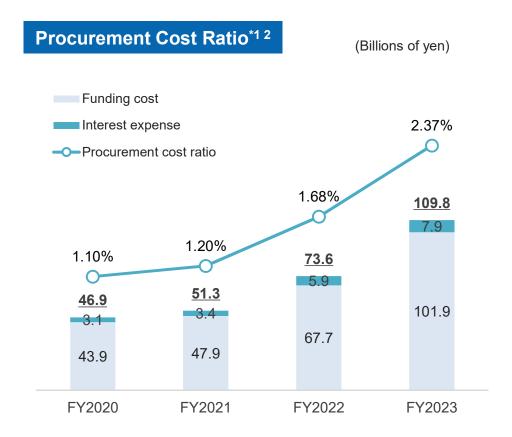
## ■ Non-current assets, etc.

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

## **Interest-Bearing Debt**

### **Balance of Interest-Bearing Debt**

							(Billior	ns of yen)
			#	Mar.31, 2022	Mar. 31, 2023	Mar. 31, 2024	Ob	0/ Ob
							Change	%Change
Int	eres	st-bearing debt	1	4,247.4	4,514.7	4,749.0	234.3	5.2%
	Jap	oanese yen	2	2,663.9	2,628.6	2,574.2	-54.4	-2.1%
	Fo	reign currency	3	1,583.5	1,886.1	2,174.8	288.7	15.3%
	Fo	reign currency %	4	37.3%	41.8%	45.8%	4.0pt	
	Со	mmercial papers	5	371.5	352.3	343.6	-8.7	-2.5%
		Japanese yen	6	289.6	271.7	228.7	-43.0	-15.8%
		Foreign currency	7	81.9	80.6	114.9	34.3	42.6%
	Со	rporate bonds	8	1,000.1	1,052.7	1,219.4	166.7	15.8%
		Japanese yen	9	401.5	372.6	372.6	0.0	0.0%
		Foreign currency	10	598.6	680.1	846.8	166.7	24.5%
	Se	curitized lease assets	11	31.4	25.8	15.3	-10.5	-40.7%
	Во	rrowings	12	2,844.4	3,083.9	3,170.7	86.8	2.8%
		Japanese yen	13	1,941.4	1,958.5	1,957.6	-0.9	-0.0%
		Foreign currency	14	903.0	1,125.4	1,213.1	87.7	7.8%
Direct funding ratio		15	33.0%	31.7%	33.2%	1.5pt		
Lo	ng-t	erm funding ratio	16	84.5%	85.7%	83.9%	-1.8pt	





<sup>\*1</sup> Of costs and expenses required for fund procurement, those pertaining to operating transactions are recognized as funding cost, and expenses related to non-operating transactions are recorded as interest expense under non-operating expenses.

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

## **Balance of Segment Assets and Transaction Volume in Automobility**

Segment assets decreased ¥132.6 billion from the end of the previous fiscal year due to the transition of OAL, which was a consolidated subsidiary, to an equity-method affiliate

(Billions of yen)

							(=
		Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Change
lance of s	segment assets	631.2	629.5	611.8	611.6	479.0	-132.6
NCS		378.5	371.2	359.3	348.3	360.5	12.2
	Percentage	59.9%	58.9%	58.7%	57.0%	75.2%	12.2
NRS		52.8	45.7	40.3	44.7	44.0	0.7
	Percentage	8.4%	7.3%	6.6%	7.3%	9.2%	-0.7
OAL		210.7	214.0	211.7	216.5	72.2	-144.3
	Percentage	33.4%	34.0%	34.6%	35.4%	15.1%	-144.3
Other*1		-10.7	-1.4	0.5	2.1	2.3	0.2
	Percentage	-1.7%	-0.2%	0.1%	0.3%	0.5%	0.2

<sup>\*1</sup> Adjusted intercompany transactions among Automobility

	FY2019	FY2020	FY2021	FY2022	FY2023		
	Result	Result	Result	Result	Result	Change	% Change
NCS Transaction volume*2	141.7	120.5	109.4	105.1	131.1	26.1	24.8%

<sup>\*2</sup> NRS' and OAL's transaction volumes (purchase amount of fleet) are not included since NRS' car rental business is focused on asset turnover and OAL is an equity-method affiliate.

# **Balance of Segment Assets in Specialty Financing**

Segment assets increased ¥334.7 billion from the end of the previous fiscal year due to the impact of the exchange rate fluctuations

		Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Change
Balance of seg	ment assets	2,008.7	2,034.4	2,152.5	2,490.6	2,825.3	<b>334.7</b> +138.4*
Aviation		1,380.8	1,363.1	1,480.8	1,737.6	1,935.9	198.3
	Percentage	68.7%	67.0%	68.9%	69.8%	68.5%	+122.8*
Shipping		124.3	116.4	100.0	93.3	86.9	-6.4
	Percentage	6.2%	5.7%	4.6%	3.7%	3.1%	+0.8*
Real estate		429.9	462.3	484.7	559.9	675.5	115.6
	Percentage	21.4%	22.7%	22.5%	22.5%	23.9%	+14.2*
Principal Inves	tment and Others *1	73.7	92.6	87.0	99.8	127.0	27.2
	Percentage	3.7%	4.6%	4.0%	4.0%	4.5%	+0.7*

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

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

## **Balance of Segment Assets in International Business**

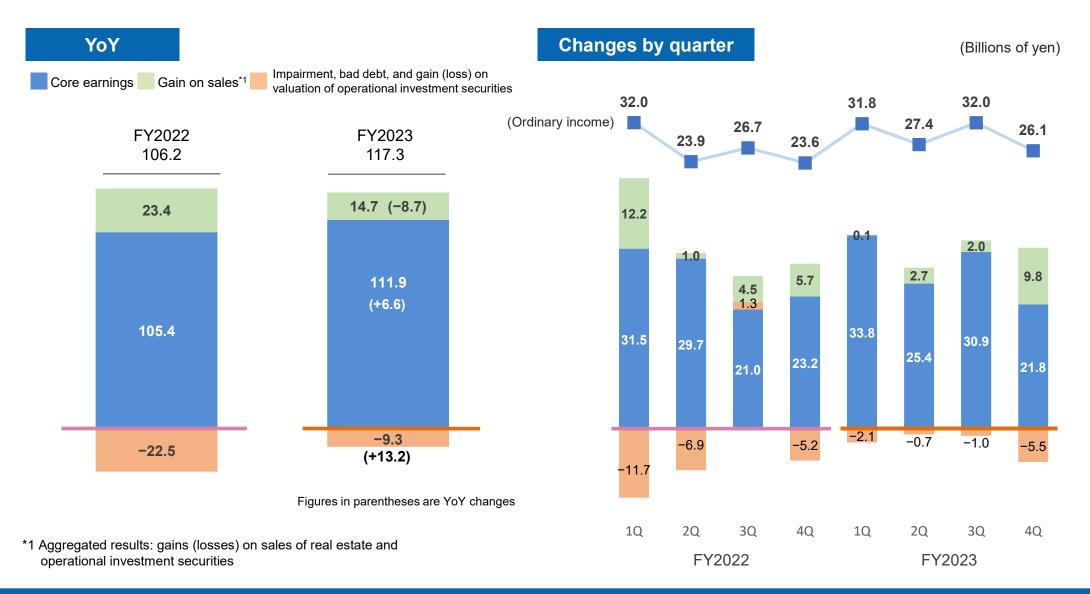
Segment assets increased ¥167.0 billion from the end of the previous fiscal year due to increases in the USA and Europe

	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Change
alance of segment assets	510.6	483.1	557.1	655.7	822.7	<b>167.0</b> +51.6°
Total of Asia	231.7	215.5	227.3	221.0	234.1	13.1
percentage	45.4%	44.6%	40.8%	33.7%	28.5%	+17.3
ASEAN	199.3	196.9	212.2	210.2	225.7	15.5
percentage	39.0%	40.7%	38.1%	32.1%	27.4%	+17.0
East Asia	32.4	18.7	15.1	10.8	8.4	-2.4
percentage	6.4%	3.9%	2.7%	1.6%	1.1%	+0.2
USA and Europe	278.9	267.6	329.8	434.6	588.6	153.9
percentage	54.6%	55.4%	59.2%	66.3%	71.5%	+34.3
excl. CSI non-recourse loan	353.9	335.9	389.4	440.5	553.6	113.1

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

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

Core earnings amounted to ¥111.9 billion, up ¥6.6 billion YoY



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

Core earnings in Automobility and Specialty Financing increased due to contributions primarily from NRS

			FY2022				FY20	)23			
	Q1	Q2	Q3	Q4	Total (Annual)	Q1	Q2	Q3	Q4	Total (Annual)	Change
Equipment Leasing	9.1	8.2	6.8	7.7	31.7	8.8	7.3	7.0	9.0	32.1	0.3
Core earnings	9.2	8.0	6.9	7.8	31.9	8.7	7.4	7.0	8.9	32.0	0.1
Gain on sales *1	-	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc. *2	-0.2	0.2	-0.1	-0.1	-0.2	0.0	-0.0	-0.0	0.1	0.0	0.2
Automobility	8.3	7.7	6.8	5.2	28.0	11.9	8.0	8.2	4.5	32.5	4.6
Core earnings	8.3	7.8	6.5	5.0	27.6	11.9	8.0	8.1	4.4	32.4	4.8
Gain on sales	-	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc.	-0.0	-0.1	0.3	0.1	0.3	0.0	-0.0	0.0	0.1	0.1	-0.2
Specialty Financing	22.3	12.1	11.5	11.1	57.0	5.9	11.3	17.2	12.9	47.4	-9.7
Core earnings	10.1	12.0	7.2	8.6	37.9	7.9	9.4	16.2	9.1	42.6	4.7
Gain on sales	12.2	1.0	4.5	4.7	22.4	0.1	2.7	2.0	6.2	11.1	-11.4
Impairment, bad debt, etc.	-0.0	-0.9	-0.1	-2.3	-3.3	-2.1	-0.9	-0.9	<b>-</b> 2.4	-6.3	-3.0
International Business	-6.6	-1.1	2.8	4.0	-0.9	4.2	3.2	3.4	5.7	16.5	17.4
Core earnings	4.9	4.9	3.5	3.6	17.0	4.3	3.1	3.5	3.2	14.1	-3.0
Gain on sales	-	-	-	0.9	0.9	-	-	-	3.6	3.6	2.6
Impairment, bad debt, etc.	-11.5	-6.0	-0.8	-0.6	-18.9	-0.1	0.1	-0.0	-1.1	-1.2	17.7
Environmental Infrastructure	1.7	0.8	-1.0	-1.1	0.4	3.8	1.7	-0.2	-1.4	3.8	3.5
Core earnings	1.7	0.8	1.0	1.4	5.0	3.7	1.7	-0.2	0.7	5.9	0.9
Gain on sales	-	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc.	-	-	-2.1	<b>-</b> 2.5	<b>-</b> 4.6	0.1	-0.0	0.0	<b>-</b> 2.2	-2.1	2.5
Other	-2.8	-3.9	-0.0	-3.2	-10.0	-2.8	-4.1	-3.6	-4.4	-15.0	<b>-</b> 5.0
Core earnings	-2.9	-3.8	-4.2	-3.3	-14.1	<b>-</b> 2.8	-4.1	-3.6	<b>-</b> 4.5	-15.1	-1.0
Gain on sales	-	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc.	0.0	-0.1	4.1	0.1	4.2	-0.0	0.1	0.0	0.0	0.1	<b>-</b> 4.0
Total	32.0	23.9	26.7	23.6	106.2	31.8	27.4	32.0	26.1	117.3	11.1
Core earnings	31.5	29.7	21.0	23.2	105.4	33.8	25.4	30.9	21.8	111.9	6.6
Gain on sales	12.2	1.0	4.5	5.7	23.4	0.1	2.7	2.0	9.8	14.7	-8.7
Impairment, bad debt, etc.	-11.7	-6.9	1.3	-5.2	<b>-</b> 22.5	-2.1	-0.7	-1.0	-5.5	-9.3	13.2

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



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

# **Major Group Companies (Domestic)**

Company Name Operating Segment		Main Business Operations	Tokyo Century	Shareholders
FLCS Co., Ltd.	Equipment Leasing	IT equipment leasing	80%	Fujitsu: 20%
IHI Finance Support Corporation	Equipment Leasing	General leasing and finance	66.5%	IHI: 33.5%
ITEC Leasing Co., Ltd.	Equipment Leasing	General leasing	85.1%	NHK Group: 14.9%
S.D.L Co., Ltd.	Equipment Leasing	General leasing	100%	'
EPC Japan K. K.	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%
BeeT 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	30.9%	
FFG Lease Co., Ltd. *	Equipment Leasing	General leasing	50%	Fukuoka Financial Group, Inc.:50%
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%

<sup>\*</sup> 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	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 Factoring China Corporation	International Business	Factoring services	100%	
	Dalian Bingshan Group Hua Hui Da Financial Leasing Co., *	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: 80.20
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 anc	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%	
	NTT Global Data Centers CH, LLC	International Business	Data center	80%	NTT DATA: 20%
	ZAXIS Financial Services Americas, LLC *	International Business	Construction machinery finance	35%	ITOCHU Group: 35% Hitachi Construction Machinery Group: 30%

<sup>\*</sup> 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")

## **Inquiries**



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