

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

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

Consolidated Financial Results (*Kessan Tanshin*) for the Fiscal Year Ended March 31, 2024 [Japan GAAP]

May 14, 2024

Name of Listed Company: Tokyo Century Corporation

Stock Exchange Listing: Tokyo

Securities Code: 8439

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

Representative: Koichi Baba, President & CEO, Representative Director

Contact: Tatsuya Hirasaki, Director and Senior Managing Executive Officer Phone: +81-3-5209-6710

Date of Annual General Meeting of Shareholders: June 24, 2024

Scheduled Payment Date of Dividends: June 25, 2024

Scheduled Reportable Date of Securities Report: June 24, 2024

Preparation of Supplementary Reference Documents: Yes

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

(Amounts less than one million yen are omitted.)

1. Consolidated Performance

	Fiscal 2022	Fiscal 2023	YoY
	(Millions of yen)		(Percentage change)
(1) Consolidated business results:			
Revenues	1,324,962	1,346,113	1.6%
Operating income	91,221	104,225	14.3%
Ordinary income	106,194	117,303	10.5%
Net income attributable to owners of parent	4,765	72,136	—
Basic earnings per share (<i>Yen</i>)	9.74	147.32	
Diluted earnings per share (<i>Yen</i>)	9.70	146.75	
Rate of return on equity (ROE)	0.7%	8.8%	
Return on assets (ROA)	1.8%	1.9%	
Operating income to revenues	6.9%	7.7%	
(2) Consolidated financial condition:			
Total assets	6,082,114	6,460,930	
Net assets	888,985	1,011,176	
Shareholders' equity ratio	12.5%	13.5%	
Net assets per share (<i>Yen</i>)	1,555.54	1,781.32	
(3) Consolidated cash flows:			
Cash flows from operating activities	(31,429)	(176,742)	
Cash flows from investing activities	(31,308)	(108,497)	
Cash flows from financing activities	6,926	261,897	
Cash and cash equivalents at end of year	201,280	183,925	

Notes:

Total comprehensive income

Fiscal 2023 ended March 31, 2024: ¥145,059 million 24.9%

Fiscal 2022 ended March 31, 2023: ¥116,160 million (10.1)%

Equity in earnings of affiliates

Fiscal 2023 ended March 31, 2024: ¥17,802 million

Fiscal 2022 ended March 31, 2023: ¥18,306 million

Shareholders' equity

Fiscal 2023 ended March 31, 2024: ¥872,230 million

Fiscal 2022 ended March 31, 2023: ¥761,597 million

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

2. Dividends

	Dividends per Share (Yen)					Total Dividends (Millions of yen)	Payout Ratio (Consolidated)	Dividend on Net Assets Ratio (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year-End	Total			
Fiscal 2022	—	17.75	—	18.00	35.75	17,503	367.1%	2.4%
Fiscal 2023	—	25.00	—	27.00	52.00	25,462	35.3%	3.1%
Fiscal 2024 (Forecast)	—	29.00	—	29.00	58.00		35.5%	

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

3. Consolidated Results Forecast for the Fiscal Year Ending March 31, 2025 (As of May 14, 2024)

	Full year	YoY
	(Millions of yen)	(Percentage change)
Ordinary income	125,000	6.6%
Net income attributable to owners of parent	80,000	10.9%
Basic earnings per share (Yen)	163.38	

Notes

(1) Changes in status of significant subsidiaries during the period (changes in status of specified subsidiaries resulting in change in scope of consolidation): Yes

New: Three companies (Company names) NTT Global Data Centers Joint Venture CH, LLC
NTT Global Data Centers Holding CH, LLC
NTT Global Data Centers CH, LLC

Exclusion: -

Note: For details, please refer to “3. Consolidated Financial Statements and Primary Notes, (5) Notes to the Consolidated Financial Statements, Changes in Status of Significant Subsidiaries During the Fiscal Year Under Review” on page 17 of the Attached Documents.

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

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

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

3) Changes in accounting estimates: None

4) Retrospective restatements: None

Note: For details, please refer to “3. Consolidated Financial Statements and Primary Notes, (5) Notes to the Consolidated Financial Statements, Changes in Accounting Policies” on page 17 of the Attached Documents.

(3) Number of shares of common stock issued

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

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

As of March 31, 2024: 492,113,280 shares

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

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

As of March 31, 2024: 2,459,140 shares

3) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023: 489,444,956 shares

Fiscal year ended March 31, 2024: 489,654,871 shares

Note:

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

(Reference: Outline of non-consolidated business results)

1. Non-consolidated Performance

	Fiscal 2022	Fiscal 2023	YoY
	(Millions of yen)		(Percentage change)
(1) Non-consolidated business results:			
Revenues	395,387	366,918	(7.2)%
Operating income	19,550	13,934	(28.7)%
Ordinary income	32,286	34,308	6.3%
Net income	25,257	32,551	28.9%
Basic earnings per share (Yen)	51.60	66.48	
Diluted earnings per share (Yen)	51.41	66.22	
(2) Non-consolidated financial condition:			
Total assets	2,988,353	3,039,340	
Net assets	410,348	421,732	
Shareholders' equity ratio	13.7%	13.8%	
Net assets per share (Yen)	833.96	856.71	

Notes:

Shareholders' equity

Fiscal 2023 ended March 31, 2024: ¥419,492 million

Fiscal 2022 ended March 31, 2023: ¥408,309 million

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

These financial results are outside the scope of audit by a certified public accountant or an audit corporation.

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

(Regarding forward-looking statements)

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

(Methods for obtaining supplementary reference documents)

The supplementary reference documents were disclosed on the TDnet on the same date as this document (Japanese only) and were also posted on the Company's website.

The Company plans to hold an earnings call (audio conference) for institutional investors and analysts on Wednesday, May 15, 2024.

1. Overview of Business Results

* In this section, 1. “Overview of Business Results,” the amounts expressed in units of millions have been rounded off to the nearest hundred million.

(1) Overview of Business Results for the Fiscal Year under Review

The Japanese economy in the fiscal year ended March 31, 2024 (the “fiscal year under review”) remained uncertain due to continuous socioeconomic impacts of the yen’s rapid depreciation, hikes in resource and general prices, as well as monetary tightening implemented mainly in Europe and the United States, and conflict risks around the world, despite a gradual recovery trend in the economy including the improvement of business earnings and personal consumption owing to recovering inbound demand and other factors.

Under these circumstances, Tokyo Century Corporation (the “Company”) has formulated the Medium-Term Management Plan 2027 for the five years beginning from fiscal 2023, themed “Transform Ourselves and Bring About Change — TC Transformation and Sustainable Growth —.” The Tokyo Century Group operated business fully committed to profit growth and the increase in ROA, to promote transformation toward a highly profitable and stable portfolio.

1) Strengthening of sales base

[Equipment Leasing]

- Fukuoka Financial Group, Inc. (“FFG”) and the Company agreed to make FFG Lease Co., Ltd. (“FFG Lease”), a consolidated subsidiary of FFG, into an equity-method affiliate of both parties. The stakes of both parties were strategically changed through a capital increase of FFG Lease through third-party allotment underwritten by the Company. We will offer various financing methods to customers in the Kyushu region and contribute to the sustainable revitalization and development of the regional economy.
- TRY Corporation (“TRY”), a consolidated subsidiary of the Company, changed its name to EPC Japan, K.K., and added IT asset disposition (“ITAD”) services to its lineup. This was made possible by having CSI Leasing, Inc. (“CSI”), also a consolidated subsidiary of the Company that leases IT equipment and provides ITAD services in the United States, take a 20% stake in TRY. ITAD services are used to rigorously and appropriately dispose of IT assets and are positioned as an essential aspect of business operations for companies that place high priority on governance and compliance. CSI provides ITAD services at more than 20 locations around the world, through its group company, EPC, Inc. (“EPC”). We will utilize EPC’s expertise to provide high-quality, world-class ITAD services in Japan.

[Automobility]

- NIPPON Rent-A-Car Service, Inc., a consolidated subsidiary of the Company which operates the car rental business, marked record high income as a result of a significant improvement in profitability due to streamlined operations, and an increase in gains on sale of vehicles. As specific measures, we are promoting plans to enhance locations, to relocate existing branch offices to better locations and also renovate them for approximately 200 locations in total, a third of all locations by 2025. We will also implement measures to earn income as well as measures to streamline operations through strengthening consumer channels and improving operational efficiency at each location, as we strive to achieve a further increase in revenues.
- To promote the actual use of autonomous driving services in society, the Company invested in May Mobility, Inc. (“May Mobility”) and T2 Inc. (“T2”). May Mobility develops autonomous vehicle (AV) technology, with the goal of deploying and disseminating AVs across North America and Japan. As a technology company with considerable experience and a strong reputation in autonomous driving, May Mobility has attracted investments from many Japan-based companies, including Nippon Telegraph and Telephone Corporation (NTT), the lead investor. T2 addresses the social issue of truck driver shortages by introducing trunk-route-transport services equipped with Level 4 autonomous driving systems that enable full autonomous driving under specific conditions such as designated routes to solve bottlenecks in distribution. These investments partnering with startups are expected to enable the Company to offer integrated services that connect a range of elements from autonomous driving systems, vehicles equipped with the system, to AVs and logistics facilities. Going forward, the Company sets autonomous driving technology and other next-generation technologies as potential areas for future growth in the Automobility segment, and will contribute to a sustainable mobility society.

[Specialty Financing]

- Aviation Capital Group LLC (“ACG”), a consolidated subsidiary of the Company which operates the aviation leasing business, recorded ¥74,800 million as extraordinary losses on all exposures to Russia (eight leased aircraft, financing and loan guarantees), resulting in a substantial decrease in earnings in the previous fiscal year. However, ACG increased revenues and income in the fiscal year under review due to significant recovery

in operating lease revenues and gains on sale of aircraft, and other factors. The aviation leasing market has recently seen steady recovery in lease rates and aircraft prices, with demand from airlines increasing for purchase and re-leases of used aircraft centered on narrow-body types, which are the core products of ACG. Backed by this business environment in which we can expect long-term increases in used aircraft prices and lease rates, we anticipate that ACG's performance will continue to steadily recover. Going forward, we will strive to regrow the aviation leasing business, responding to the rapid recovery in travel demand worldwide, as well as demand for replacement with next-generation aircraft that have higher fuel efficiency.

- The Company invested and participated in Eastwood Climate Smart Forestry Fund I, a forest fund established and managed by Eastwood Forests, LLC, a forest asset management company under the umbrella of Sumitomo Forestry Co., Ltd. We aim to use the Fund not only to increase forest sequestration of carbon dioxide as climate-change measures, but also generate high-integrity carbon credits that also enhances the value of forestland as natural capital by rehabilitating the role of forests in protecting biodiversity and water resources, thereby taking this opportunity to develop new forest-related businesses.

[International Business]

- The Company has started to collaborate with NTT Global Data Centers Americas, Inc. of the NTT Group, to jointly operate the data center business in Chicago, Illinois. This is a huge project encompassing three data centers that delivers a total of 104MW critical IT capacity, and we consider this as an excellent opportunity leading to further business growth, because Chicago is a city where data centers are concentrated with strong demands from hyperscalers. We will continue to promote initiatives leading to the development of digital infrastructures partnering with the NTT Group.
- CSI, a consolidated subsidiary of the Company, acquired all shares of ExportXcel, Sdn. ("ExportXcel"), an ITAD services company that provides appropriate disposal of IT equipment in Malaysia, through CSI Leasing Malaysia, Sdn. Bhd., a subsidiary of CSI. ExportXcel is a leading company with excellent service expertise and processing capabilities that has been serving as an ITAD partner for several major IT manufacturers. Including EPC Japan mentioned in the Equipment Leasing segment, we will provide ITAD services of global standard in Japan and overseas.

[Environmental Infrastructure]

- The Company acquired 34 locations of solar power stations in operation (303MW) in the United Kingdom jointly with Schroders Greencoat LLP ("Greencoat"), a company of the Schroders Group, one of the leading independent asset management group in the UK. Greencoat, the joint investor in this project, is one of the top asset owners in the UK that boasts renewable energy generation assets of 5.6GW (301 locations), and we consider it an ideal business partner for our full-scale entry into the solar power generation businesses in the UK. Joining forces with an expert business partner, we will contribute to spreading clean energy through our commitment to expand the renewable energy businesses in Europe and North America.

2) Strengthening of management base

- Rating and Investment Information, Inc. (R&I) upgraded the Company's rating from "A+" to "AA-," revising its outlook of the Company from Positive to Stable.
- Japan Credit Rating Agency, Ltd. (JCR) upgraded the Company's rating from "AA-" to "AA," revising its outlook of the Company from Positive to Stable.
- The Company has compiled the current status and policy guidelines for realizing management that emphasizes cost of capital and stock price to achieve sustainable growth and enhance corporate value over the medium to long term. During the period of the previous Medium-term Management Plan (fiscal 2020 to fiscal 2022), the stock market has questioned the Company's ability to respond to changes in the macroeconomic environment and maintain an optimal asset portfolio with due consideration for balancing risks and returns. As a result, our cost of shareholders' equity has increased and our P/B ratio has remained below 1.0 since 2022. While we recognize that our current cost of shareholders' equity is around 10%, we will improve our P/B ratio by reducing the cost of shareholders' equity through advanced risk management and by improving profitability over the medium to long term by focusing on return on assets (ROA) to achieve our ROE target of at least 10%.
- Under the Medium-Term Management Plan 2027 which states the basic policies toward sustainable growth, we set Digital Transformation (DX) as one of the four key elements for sustainable growth. The core of DX for the Company is to tirelessly create new financial services through effective use of digital technologies and various data, develop a business base adaptable to the environmental changes that partner companies and customers will face, and help create social value. In addition, we launched a program for human resource development through DX in July 2023, and started having all officers and employees take DX training. With the aim of enhancing the value to offer to customers and increasing productivity of each employees on their own initiative, we will promote the reform of the Company to make it an organization that continues to create value.

With regard to the business results, revenues increased ¥21,200 million, or 1.6%, to ¥1,346,100 million, and gross profit increased ¥27,700 million, or 12.3%, to ¥253,200 million, respectively, from the previous consolidated fiscal year. The increase in gross profit is mainly due to increases in the International Business segment and Automobility segment.

Selling, general and administrative expenses increased ¥14,700 million, or 10.9%, to ¥149,000 million from the previous consolidated fiscal year, mainly due to increases in personnel and non-personnel expenses in the International Business segment.

Non-operating income and expenses decreased ¥1,900 million, or 12.7%, to an income of ¥13,100 million from the previous consolidated fiscal year. This was mainly attributable to an increase in interest expense, and a decrease in dividend income.

Due to the factors mentioned above, ordinary income increased ¥11,100 million, or 10.5%, to ¥117,300 million from the previous consolidated fiscal year.

Extraordinary income was ¥700 million. Income taxes increased ¥14,400 million, or 68.2%, to ¥35,500 million and net income attributable to non-controlling interests increased ¥600 million or 6.6%, to ¥10,400 million, respectively, from the previous consolidated fiscal year.

As a result, net income attributable to owners of parent increased ¥67,400 million, to ¥72,100 million from the previous consolidated fiscal year.

Average exchange rates during the period for the preparation of consolidated financial statements for the major overseas subsidiaries and affiliates closing accounts in December are ¥140.67/US\$ for the fiscal year ended December 31, 2023 (January to December 2023), and ¥131.63/US\$ for the fiscal year ended December 31, 2022 (January to December 2022).

(2) Overview of Financial Conditions for the Fiscal Year under Review

Total assets at the end of the fiscal year under review increased ¥378,800 million, or 6.2%, to ¥6,460,900 million, and segment assets increased ¥356,700 million, or 6.6%, to ¥5,720,400 million, respectively, from the end of the previous consolidated fiscal year, mainly due to increases in the Specialty segment and International Business segment.

Total liabilities increased ¥256,600 million, or 4.9%, to ¥5,449,800 million and interest-bearing debts increased ¥234,300 million, or 5.2%, to ¥4,749,000 million, respectively, from the end of the previous consolidated fiscal year.

Total net assets increased ¥122,200 million, or 13.7%, to ¥1,011,200 million from the end of the previous consolidated fiscal year, mainly due to increases in retained earnings of ¥50,700 million, and translation adjustments of ¥39,900 million.

As a result, the shareholders' equity ratio increased 1.0 percentage point compared with the end of the previous consolidated fiscal year to 13.5%.

Exchange rates at the end of the period for the preparation of consolidated financial statements for the major overseas subsidiaries and affiliates closing accounts in December are ¥141.82/US\$ at the end of the fiscal year ended December 31, 2023 (December 31, 2023), and ¥132.70/US\$ at the end of the previous consolidated fiscal year (December 31, 2022).

(3) Overview of Cash Flow for the Fiscal Year under Review

Net cash used in operating activities amounted to ¥176,700 million, mainly due to purchases of leased assets. Net cash used in investing activities amounted to ¥108,500 million, mainly due to purchases of investments in securities. Net cash provided by financing activities amounted to ¥261,900 million, mainly due to fund procurement by borrowings and bonds. Due to the factors mentioned above, cash and cash equivalents at the end of the consolidated fiscal year under review decreased ¥17,400 million to ¥183,900 million from the end of the previous consolidated fiscal year.

(4) Future Outlook

The future outlook remains uncertain due to factors such as the impact of monetary tightening implemented in various countries worldwide including the United States, and the increasingly tense situation in the Middle East, as well as Russia's prolonged invasion of Ukraine.

In this economic environment, our consolidated results forecast for the fiscal year ending March 31, 2025 is ¥125,000 million of ordinary income (up 6.6% from the previous consolidated fiscal year), and net income attributable to owners of parent of ¥80,000 million (up 10.9% from the previous consolidated fiscal year).

(5) Basic Policy on Distribution of Profits, as well as Dividends for both the Fiscal Year under Review and the Next Fiscal Year

The Group believes that an ongoing commitment to the expansion of business content and the reinforcement of its business structure should gain higher corporate value. In this context, the Company complies with a basic policy of stably distributing profits to its shareholders over the long term with due consideration given to increasing its retained earnings.

Under the Medium-Term Management Plan 2027, our policy on dividends per share is to distribute progressive amounts in an aim to increase dividends with profit growth, targeting a payout ratio of approximately 35%. Internal reserve funds will be effectively appropriated in the future by corporate management to, for example, be used as funds to purchase high-quality operating assets.

As for dividends for the fiscal year ended March 31, 2024, we forecasted to pay an annual dividend of ¥200 per share (interim dividend of ¥100, year-end dividend of ¥100) at the beginning of the fiscal year under review. The interim dividend was ¥100 per share as forecasted. As for the year-end dividend, we plan to increase it by ¥2, to ¥27 per share, whereas it had been forecasted to be ¥25 per share as a result of a 4-for-1 stock split of the Company's common shares effective January 1, 2024. Assuming that the stock split was conducted at the beginning of the fiscal year under review, the annual dividend per share will be ¥52 (interim dividend of ¥25, year-end dividend of ¥27).

For the fiscal year ending March 31, 2025, we intend to pay an annual dividend of ¥58 per share (interim dividend of ¥29 and year-end dividend of ¥29 with a payout ratio of 35.5%) through comprehensive consideration of our performance, financial condition and the future business environment.

2. Basic Stance on Selection of Accounting Standards

We judge that our consolidated financial statements based on Japan GAAP appropriately reflect the Company's results of operations and financial conditions. Furthermore, with regard to the selection of accounting standards, having considered the costs and benefits from various points of view such as streamlining of financial reporting, ensuring comparability, and impact on fund procurement, we deem it suitable at this time to apply Japan GAAP.

Our policy is to continue to closely observe trends in IFRS and Japanese accounting system and standards, and to respond appropriately with regard to selection of accounting standards.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash on hand and in banks	216,437	193,859
Accounts receivable - installment sales	161,678	167,071
Lease receivables and investment assets	1,565,153	1,391,310
Loans	450,576	435,091
Operational investment securities	326,042	407,050
Accounts receivable - leases	74,572	63,886
Short-term investment securities	300	809
Inventories	28,147	36,712
Other current assets	180,748	246,947
Allowance for doubtful accounts	(6,862)	(3,859)
Total current assets	2,996,794	2,938,879
Non-current assets		
Property and equipment		
Leased assets	2,229,830	2,496,294
Advances for purchases of property for lease	81,147	93,965
Other operating assets	214,976	244,938
Construction in progress	5,105	33,230
Own assets in use	23,773	27,552
Total property and equipment	2,554,833	2,895,981
Intangible assets		
Computer programs leased to customers	2,640	2,525
Goodwill	58,064	72,924
Other intangible assets	34,751	39,638
Total intangible assets	95,455	115,088
Investments and other assets		
Investments in securities	325,745	404,150
Claims provable in bankruptcy or rehabilitation	10,432	7,627
Deferred tax assets	30,279	24,170
Retirement benefit asset	177	270
Other investments	73,362	77,641
Allowance for doubtful accounts	(7,533)	(4,790)
Total investments and other assets	432,464	509,069
Total non-current assets	3,082,753	3,520,140
Deferred assets	2,567	1,911
Total assets	6,082,114	6,460,930

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	202,665	216,852
Short-term borrowings	278,054	412,825
Current portion of bonds	144,199	240,695
Current portion of long-term debt	905,570	732,254
Commercial papers	352,307	343,609
Payables under fluidity lease receivables	17,000	9,000
Current portion of long-term payables under fluidity lease receivables	2,490	2,460
Lease obligations	8,779	9,560
Accrued income taxes	12,157	12,047
Deferred profit on installment sales	14,173	15,463
Provision for bonuses	3,772	4,042
Provision for directors' bonuses	257	470
Other provisions	70	237
Other current liabilities	164,684	142,564
Total current liabilities	2,106,181	2,142,083
Long-term liabilities		
Bonds payable	908,454	978,673
Long-term debt	1,900,271	2,025,626
Long-term payables under fluidity lease receivables	6,310	3,850
Lease obligations	19,925	20,320
Deferred tax liabilities	43,100	56,200
Provision for directors' retirement benefits	415	346
Provision for automobile inspection costs	793	717
Other provisions	930	659
Net defined benefit liability	12,303	11,381
Other long-term liabilities	194,440	209,895
Total long-term liabilities	3,086,946	3,307,671
Total liabilities	5,193,128	5,449,754
Net assets		
Shareholders' equity		
Common stock without par value	81,129	81,129
Capital surplus	56,491	56,199
Retained earnings	474,223	524,903
Treasury stock	(1,631)	(1,599)
Total shareholders' equity	610,212	660,631
Accumulated other comprehensive income		
Net unrealized holding gains on securities	20,781	37,994
Net unrealized gains on derivative instruments	7,298	9,839
Translation adjustments	123,168	163,105
Remeasurements of defined benefit plans	137	658
Total accumulated other comprehensive income	151,384	211,598
Share subscription rights	2,039	2,240
Non-controlling interests	125,349	136,704
Total net assets	888,985	1,011,176
Total liabilities and net assets	6,082,114	6,460,930

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

Consolidated Statements of Income
(For the years ended March 31, 2023 and 2024)

(Millions of yen)

	Fiscal 2022	Fiscal 2023
Revenues	1,324,962	1,346,113
Costs	1,099,459	1,092,925
Gross profit	225,503	253,187
Selling, general and administrative expenses	134,281	148,961
Operating income	91,221	104,225
Non-operating income		
Interest income	136	594
Dividend income	3,014	1,442
Equity in earnings of affiliates	18,306	17,802
Foreign exchange gains	—	615
Other	1,717	1,201
Total non-operating income	23,175	21,655
Non-operating expenses		
Interest expense	5,943	7,851
Foreign exchange losses	72	—
Trial operating cost	*1 1,682	—
Other	504	726
Total non-operating expenses	8,202	8,578
Ordinary income	106,194	117,303
Extraordinary income		
Gain on sale of shares of subsidiaries	—	1,046
Gain on sales of investment securities	4,934	760
Other	449	322
Total extraordinary income	5,384	2,129
Extraordinary losses		
Loss on valuation of investment securities	153	952
Loss on disposal of non-current assets	150	186
Russia-related losses	*2 74,794	—
Other	880	293
Total extraordinary losses	75,980	1,432
Income before income taxes	35,598	118,000
Income taxes - current	29,563	25,411
Income taxes - deferred	(8,476)	10,065
Total income taxes	21,087	35,476
Net income	14,511	82,523
Net income attributable to non-controlling interests	9,745	10,386
Net income attributable to owners of parent	4,765	72,136

Consolidated Statements of Comprehensive Income
(For the years ended March 31, 2023 and 2024)

(Millions of yen)

	Fiscal 2022	Fiscal 2023
Net income	14,511	82,523
Other comprehensive income		
Net unrealized holding gains (losses) on securities	(1,048)	16,538
Net unrealized gains (losses) on derivative instruments	(575)	2,383
Translation adjustments	99,155	36,670
Remeasurements of defined benefit plans	139	740
Share of other comprehensive income of affiliates accounted for using equity method	3,977	6,202
Total other comprehensive income	101,648	62,535
Comprehensive income	116,160	145,059
Comprehensive income attributable to:		
Owners of parent	105,297	132,351
Non-controlling interests	10,863	12,708

(3) Consolidated Statements of Changes in Net Assets

(For the year ended March 31, 2023)

(Millions of yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	81,129	56,244	486,946	(2,148)	622,171
Cumulative effects of changes in accounting policies					
Restated balance	81,129	56,244	486,946	(2,148)	622,171
Changes of items during the period					
Cash dividends			(17,488)		(17,488)
Net income attributable to owners of parent			4,765		4,765
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock		273		518	792
Change in scope of consolidation					—
Purchase of shares of consolidated subsidiaries		(27)			(27)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	246	(12,723)	517	(11,958)
Balance at end of year	81,129	56,491	474,223	(1,631)	610,212

	Accumulated other comprehensive income					Share subscription rights	Non-controlling interests	Total net assets
	Net unrealized holding gains on securities	Net unrealized gains on derivative instruments	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	23,069	7,781	20,055	(53)	50,853	2,432	120,123	795,580
Cumulative effects of changes in accounting policies								
Restated balance	23,069	7,781	20,055	(53)	50,853	2,432	120,123	795,580
Changes of items during the period								
Cash dividends								(17,488)
Net income attributable to owners of parent								4,765
Purchase of treasury stock								(1)
Disposal of treasury stock								792
Change in scope of consolidation								—
Purchase of shares of consolidated subsidiaries								(27)
Net changes of items other than shareholders' equity	(2,288)	(483)	103,112	190	100,531	(393)	5,225	105,363
Total changes of items during the period	(2,288)	(483)	103,112	190	100,531	(393)	5,225	93,404
Balance at end of year	20,781	7,298	123,168	137	151,384	2,039	125,349	888,985

(For the year ended March 31, 2024)

(Millions of yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	81,129	56,491	474,223	(1,631)	610,212
Cumulative effects of changes in accounting policies			(400)		(400)
Restated balance	81,129	56,491	473,822	(1,631)	609,811
Changes of items during the period					
Cash dividends			(21,054)		(21,054)
Net income attributable to owners of parent			72,136		72,136
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		27		34	62
Change in scope of consolidation			(2)		(2)
Purchase of shares of consolidated subsidiaries		(319)			(319)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(291)	51,080	31	50,819
Balance at end of year	81,129	56,199	524,903	(1,599)	660,631

	Accumulated other comprehensive income					Share subscription rights	Non-controlling interests	Total net assets
	Net unrealized holding gains on securities	Net unrealized gains on derivative instruments	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	20,781	7,298	123,168	137	151,384	2,039	125,349	888,985
Cumulative effects of changes in accounting policies								(400)
Restated balance	20,781	7,298	123,168	137	151,384	2,039	125,349	888,585
Changes of items during the period								
Cash dividends								(21,054)
Net income attributable to owners of parent								72,136
Purchase of treasury stock								(3)
Disposal of treasury stock								62
Change in scope of consolidation								(2)
Purchase of shares of consolidated subsidiaries								(319)
Net changes of items other than shareholders' equity	17,213	2,541	39,937	521	60,214	201	11,355	71,770
Total changes of items during the period	17,213	2,541	39,937	521	60,214	201	11,355	122,590
Balance at end of year	37,994	9,839	163,105	658	211,598	2,240	136,704	1,011,176

(4) Consolidated Statements of Cash Flows
(For the years ended March 31, 2023 and 2024)

(Millions of yen)

	Fiscal 2022	Fiscal 2023
Cash flows from operating activities		
Income before income taxes	35,598	118,000
Depreciation and amortization of leased assets	200,410	218,396
Loss on disposal of leased assets	125,522	111,980
Impairment loss	50,580	3,148
Depreciation of other operating assets, and cost of other operating assets sales	9,551	11,503
Depreciation of own-used assets, and loss on sales and retirement of own-used assets	13,847	12,777
Amortization of goodwill	4,014	4,060
Foreign exchange losses (gains)	72	(615)
Increase (decrease) in allowance for doubtful accounts	(4,124)	(6,165)
Increase (decrease) in provision for bonuses	28	333
Increase (decrease) in net defined benefit liability	492	(217)
Interest and dividend income	(3,151)	(2,036)
Interest expense	73,630	109,791
Share of loss (profit) of entities accounted for using equity method	(18,306)	(17,802)
Loss (gain) on sale of investments in securities	(4,934)	(759)
Loss (gain) on sale of shares of subsidiaries	—	(1,046)
Decrease (increase) in installment sales receivable	9,102	5,758
Decrease (increase) in lease receivables and investment assets	36,800	(112,871)
Decrease (increase) in loans receivable	(25,003)	30,561
Decrease (increase) in operational investment securities	(22,206)	(71,205)
Purchases of leased assets	(399,607)	(484,102)
Purchases of other operating assets	(96,721)	(2,414)
Decrease (increase) in construction in progress	79,491	(94)
Decrease (increase) in claims provable in bankruptcy or rehabilitation	6,958	330
Increase (decrease) in trade notes and accounts payable	(5,311)	19,414
Other, net	1,230	(625)
Subtotal	67,963	(53,899)
Interest and dividend income received	9,126	9,871
Interest expense paid	(71,905)	(107,198)
Income taxes paid	(36,613)	(25,516)
Net cash provided by (used in) operating activities	(31,429)	(176,742)
Cash flows from investing activities		
Proceeds from sales of own assets in use	350	1,581
Purchases of own assets in use	(9,635)	(15,149)
Proceeds from sales/redemptions of investments in securities	8,869	12,753
Purchases of investments in securities	(17,263)	(44,467)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,422)	(68,190)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(458)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	1,127
Other, net	(11,207)	4,307
Net cash provided by (used in) investing activities	(31,308)	(108,497)

(Millions of yen)

	Fiscal 2022	Fiscal 2023
Cash flows from financing activities		
Increase (decrease) in short-term borrowings, net	6,719	306,583
Increase (decrease) in commercial papers, net	(31,669)	25,529
Proceeds from long-term debt	975,550	886,826
Repayment of long-term debt	(877,114)	(1,039,492)
Increase (decrease) in payables under securitized lease receivables, net	(14,300)	(8,000)
Proceeds from securitization of lease receivables	10,000	–
Repayments of payables under fluidity lease receivables	(1,342)	(2,490)
Proceeds from issuance of bonds	170	275,072
Redemption of bonds	(36,811)	(152,022)
Proceeds from share issuance to non-controlling interest shareholders	192	375
Repayments to non-controlling interest shareholders	(1,451)	(1,346)
Cash dividends paid	(17,488)	(21,054)
Cash dividends paid to non-controlling-interest shareholders	(4,557)	(5,493)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(27)	(396)
Proceeds from sales of treasury shares	0	0
Purchase of treasury shares	(1)	(3)
Other, net	(939)	(2,190)
Net cash provided by (used in) financing activities	6,926	261,897
Effect of exchange rate changes on cash and cash equivalents	17,044	5,986
Net increase (decrease) in cash and cash equivalents	(38,766)	(17,355)
Cash and cash equivalents at beginning of year	240,047	201,280
Cash and cash equivalents at end of year	201,280	183,925

(5) Notes to the Consolidated Financial Statements

Notes on Going Concern Assumption

Not applicable

Changes in Status of Significant Subsidiaries During the Fiscal Year Under Review

In the fiscal year ended March 31, 2024, the Company acquired stakes of NTT Global Data Centers Joint Venture CH, LLC; NTT Global Data Centers Holding CH, LLC; and NTT Global Data Centers CH, LLC, on a capital investment basis through TC Global Investments Americas LLC (the head office is in the United States), a consolidated subsidiary. These three companies are newly included in the scope of consolidation, and applicable to specified subsidiaries.

Changes in Accounting Policies

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

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

Regarding the application of this accounting standard, the cumulative effect of applying with the new accounting policy retrospectively prior to the beginning of the fiscal year ended March 31, 2024, was reflected in retained earnings at the beginning of the fiscal year ended March 31, 2024, and the Company has applied the new policy to the balance at the beginning of the fiscal year. The effect of this change on the consolidated financial statements is not material.

Additional Information

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

As of December 31, 2023, consolidated subsidiary Aviation Capital Group LLC had commitments to purchase 120 aircraft (mainly narrow-body) from Boeing, Airbus, and other airlines scheduled for delivery through 2028. The estimated aggregate remaining payments for the purchase of aircraft are ¥888,855 million (US\$6,267 million).

Consolidated Statements of Income

*1 Trial operating cost

Fiscal 2022 (from April 1, 2022 to March 31, 2023)

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

Fiscal 2023 (from April 1, 2023 to March 31, 2024)

Not applicable

*2 Russia-related losses

Fiscal 2022 (from April 1, 2022 to March 31, 2023)

Impairment loss

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

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

Given the situation, out of the eight aircraft with terminated leases, we have recorded the entire book value of seven aircraft which are not scheduled to be repatriated in extraordinary losses, as it has become difficult to estimate the future cash flow. For the one aircraft which was repatriated, the difference between its book value and fair value is recorded as extraordinary loss. Total impairment loss included in Russia-related losses is ¥45,839 million.

Bad debt expense

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

In response to this situation, the Company determined that there was no prospect of recovering the financing and loan guarantee and recorded its full amount of ¥28,954 million as extraordinary losses.

Fiscal 2023 (from April 1, 2023 to March 31, 2024)

Not applicable

Segment Information

1. Outline of reportable segments

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

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

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

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

The presented segment information of the fiscal 2022 was prepared with the changed classification.

2. Calculation method for amounts for revenues, profit or loss, assets, liabilities and other items by reportable segment

The accounting method for reportable business segments is based on the accounting standards applied for the preparation of consolidated financial statements. Income of reportable segments is based on net income attributable to owners of parent. Intersegment revenues and transfers are based on prevailing market prices.

3. Information of the amount of revenues, income/loss, assets, liabilities and other items by reportable segment and disaggregated revenue

Fiscal 2022 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable Segment						Other (Note 1)	Total	Adjustment (Note 2)	Amount shown on the consolidated financial statements (Note 3)
	Equipment Leasing	Auto- mobility	Specialty Financing	Inter- national Business	Environ- mental Infra- structure	Total				
Revenues										
Revenues from customers (Note 4)	481,467	353,515	292,801	144,883	51,301	1,323,969	993	1,324,962	–	1,324,962
Intersegment revenues /transfers	359	915	164	82	–	1,521	348	1,870	(1,870)	–
Total	481,826	354,430	292,966	144,966	51,301	1,325,491	1,342	1,326,833	(1,870)	1,324,962
Segment income (loss)	22,886	12,139	(19,138)	(5,934)	209	10,162	4,531	14,693	(9,928)	4,765
Segment assets	1,287,080	611,558	2,490,602	655,683	277,885	5,322,811	40,964	5,363,776	718,338	6,082,114
Other										
Depreciation and amortization	17,351	68,934	79,128	47,175	10,294	222,883	3	222,886	767	223,654
Amortization of goodwill	4	658	2,387	930	32	4,014	–	4,014	–	4,014
Equity in earnings/loss of affiliates	7,831	–	5,589	599	–	14,019	4,286	18,306	–	18,306
Extraordinary income	–	40	0	809	–	850	–	850	4,533	5,384
(Gain on sales of investment securities)	–	0	–	401	–	401	–	401	4,533	4,934
(Other)	–	40	0	408	–	449	–	449	0	449
Extraordinary losses	18	279	74,877	653	6	75,835	–	75,835	144	75,980
(Loss on valuation of investment securities)	–	9	–	–	–	9	–	9	144	153
(Loss on disposal of non-current assets)	2	133	8	–	6	150	–	150	–	150
(Russia-related losses)	–	–	74,794	–	–	74,794	–	74,794	–	74,794
(Other)	16	136	74	653	–	880	–	880	–	880
Tax expenses	7,788	8,889	145	4,015	32	20,871	138	21,010	76	21,087
Investment in equity-method affiliates	119,303	4	91,277	21,416	4,976	236,977	15,217	252,195	–	252,195
Increase in property, plant and equipment and intangible assets (Note 5)	11,270	81,220	238,422	76,681	17,498	425,093	–	425,093	1,379	426,472

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

2. Adjustment is as follows:
- (1) Adjustment to segment income (loss) mainly consists of general and administrative expenses, which are not attributed to reportable segments.
 - (2) Adjustment to segment assets mainly consists of deposits, etc., which are not attributed to reportable segments.
 - (3) Adjustment to depreciation and amortization consists of adjustment for corporate assets.
 - (4) Adjustment to increase in property, plant and equipment and intangible assets consists of adjustment for corporate assets.
3. Segment income (loss) is adjusted with net income attributable to owners of parent shown on the consolidated statements of income.
4. Revenues from contracts with customers included in revenues for the fiscal year ended March 31, 2023 for each of the reportable segments, i.e. Equipment Leasing, Automobility, Specialty Financing, International Business, and Environmental Infrastructure were ¥2,930 million, ¥12,844 million, ¥33,302 million, ¥9,237 million, and ¥48,287 million, respectively.
5. Increase in property, plant and equipment and intangible assets does not include increase from a newly consolidated subsidiary.

Fiscal 2023 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segment						Other (Note 1)	Total	Adjustment (Note 2)	Amount shown on the consolidated financial statements (Note 3)
	Equipment Leasing	Auto- mobility	Specialty Financing	Inter- national Business	Environ- mental Infra- structure	Total				
Revenues										
Revenues from customers (Note 4)	458,612	337,165	312,184	177,392	59,655	1,345,011	1,102	1,346,113	—	1,346,113
Intersegment revenues /transfers	367	923	190	163	0	1,646	442	2,088	(2,088)	—
Total	458,980	338,089	312,375	177,555	59,656	1,346,657	1,544	1,348,202	(2,088)	1,346,113
Segment income (loss)	24,154	16,655	29,977	10,950	1,892	83,630	1,082	84,713	(12,576)	72,136
Segment assets	1,273,522	479,003	2,825,264	822,699	273,921	5,674,410	46,023	5,720,433	740,496	6,460,930
Other										
Depreciation and amortization	17,555	69,071	87,623	54,844	12,576	241,671	2	241,673	886	242,560
Amortization of goodwill	4	371	2,609	1,016	58	4,060	—	4,060	—	4,060
Equity in earnings/loss of affiliates	9,076	531	6,655	680	(4)	16,938	863	17,802	—	17,802
Extraordinary income	166	1,112	22	74	377	1,753	—	1,753	375	2,129
(Gain on sale of shares of subsidiaries)	166	879	—	—	—	1,046	—	1,046	—	1,046
(Gain on sales of investment securities)	—	4	1	1	377	385	—	385	375	760
(Other)	0	228	20	73	0	322	—	322	0	322
Extraordinary losses	1	355	937	0	91	1,386	—	1,386	46	1,432
(Loss on valuation of investment securities)	—	—	845	—	75	920	—	920	31	952
(Loss on disposal of non-current assets)	0	131	49	0	—	181	—	181	4	186
(Other)	1	223	42	—	16	283	—	283	9	293
Tax expenses	6,983	10,122	14,916	5,178	1,418	38,619	11	38,630	(3,154)	35,476
Investment in equity-method affiliates	132,526	3,849	130,817	20,753	9,556	297,503	16,164	313,667	—	313,667
Increase in property, plant and equipment and intangible assets (Note 5)	15,029	91,852	295,946	91,558	2,917	497,304	—	497,304	4,455	501,760

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

2. Adjustment is as follows:

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

- (2) Adjustment to segment assets mainly consists of deposits, etc., which are not attributed to reportable segments.
- (3) Adjustment to depreciation and amortization consists of adjustment for corporate assets.
- (4) Adjustment to increase in property, plant and equipment and intangible assets consists of adjustment for corporate assets.
- 3. Segment income (loss) is adjusted with net income attributable to owners of parent shown on the consolidated statements of income.
- 4. Revenues from contracts with customers included in revenues for the fiscal year ended March 31, 2024 for each of the reportable segments, i.e. Equipment Leasing, Automobility, Specialty Financing, International Business, and Environmental Infrastructure were ¥1,434 million, ¥15,370 million, ¥30,130 million, ¥9,753 million, and ¥54,005 million, respectively.
- 5. Increase in property, plant and equipment and intangible assets does not include increase from a newly consolidated subsidiary.

4. Information concerning assets by reportable segment

In the second quarter of the fiscal year ended March 31, 2024, Orico Business Leasing Co., Ltd. and Orico Auto Leasing Co., Ltd. transitioned from consolidated subsidiaries to equity-method affiliates. As a result, the amounts of assets by reportable segment as of March 31, 2024 decreased by ¥55,697 million in Equipment Leasing and ¥144,313 million in Automobility, respectively, compared to the end of the previous fiscal year.

5. Information concerning impairment loss on non-current assets by reportable segments

Fiscal 2022 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Equipment Leasing	Automobility	Specialty Financing	International Business	Environmental Infrastructure	Total
Impairment loss	—	—	50,580	—	—	50,580

An impairment loss of ¥45,839 million related to leased aircraft for Russian airlines was recorded in extraordinary losses and an impairment loss of ¥4,740 million for assets related to the leasing of aircraft was recorded in costs.

Fiscal 2023 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Equipment Leasing	Automobility	Specialty Financing	International Business	Environmental Infrastructure	Total
Impairment loss	—	—	3,148	—	—	3,148

In Specialty Financing, impairment losses of ¥2,780 million for assets related to the leasing of aircraft, and ¥368 million for assets related to the leasing of real estate, were recorded.

Per Share Information

	Fiscal 2022	Fiscal 2023
Net assets per share	¥1,555.54	¥1,781.32
Basic earnings per share	¥9.74	¥147.32
Diluted earnings per share	¥9.70	¥146.75

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

2. Basis for the calculation of net assets per share are as follows.

	Fiscal 2022	Fiscal 2023
Total net assets (Millions of yen)	888,985	1,011,176
Amount to be deducted from the total net assets (Millions of yen)	127,388	138,945
(of which share subscription rights (Millions of yen))	(2,039)	(2,240)
(of which non-controlling interests (Millions of yen))	(125,349)	(136,704)
Net assets attributable to common stock at the end of the fiscal year (Millions of yen)	761,597	872,230
Number of shares of common stock at the end of the fiscal year, which is used to calculate net assets per share (Thousands of shares)	489,603	489,654

3. Basis for the calculation of basic earnings per share and diluted earnings per share are as follows.

	Fiscal 2022	Fiscal 2023
Basic earnings per share		
Net income attributable to owners of parent (Millions of yen)	4,765	72,136
Amount not attributable to common shareholders (Millions of yen)	—	—
Net income attributable to owners of parent attributable to common stock (Millions of yen)	4,765	72,136
Weighted average number of shares of common stock during the year (Thousands of shares)	489,444	489,654
Diluted earnings per share		
Adjustments to net income attributable to owners of parent (Millions of yen)	—	—
Increase in number of shares of common stock (Thousands of shares)	1,845	1,904
(of which number of share subscription rights) (Thousands of shares)	(1,845)	(1,904)
Overview of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effect	—	—

Significant Subsequent Events

Not applicable

4. Supplementary Information**(1) Operating Transactions**

Balance of Segment Assets (as of March 31, 2024)

(Millions of yen)

Classification		As of March 31, 2023		As of March 31, 2024	
		Amount	Share (%)	Amount	Share (%)
Reportable Segment	Equipment Leasing	1,287,080	24.0	1,273,522	22.3
	Automobility	611,558	11.4	479,003	8.4
	Specialty Financing	2,490,602	46.4	2,825,264	49.4
	International Business	655,683	12.2	822,699	14.4
	Environmental Infrastructure	277,885	5.2	273,921	4.8
	Total for Reportable Segments	5,322,811	99.2	5,674,410	99.3
Other		40,964	0.8	46,023	0.7
Total		5,363,776	100.0	5,720,433	100.0

(Reference)

(Millions of yen)

	Fiscal 2022	Fiscal 2023
Business guarantees	160,378	190,350