IR Presentation

for FY2024 Q2

Tokyo Century

Results for FY2024 Q2

Reference Material (1)
Topics by Operating Segment

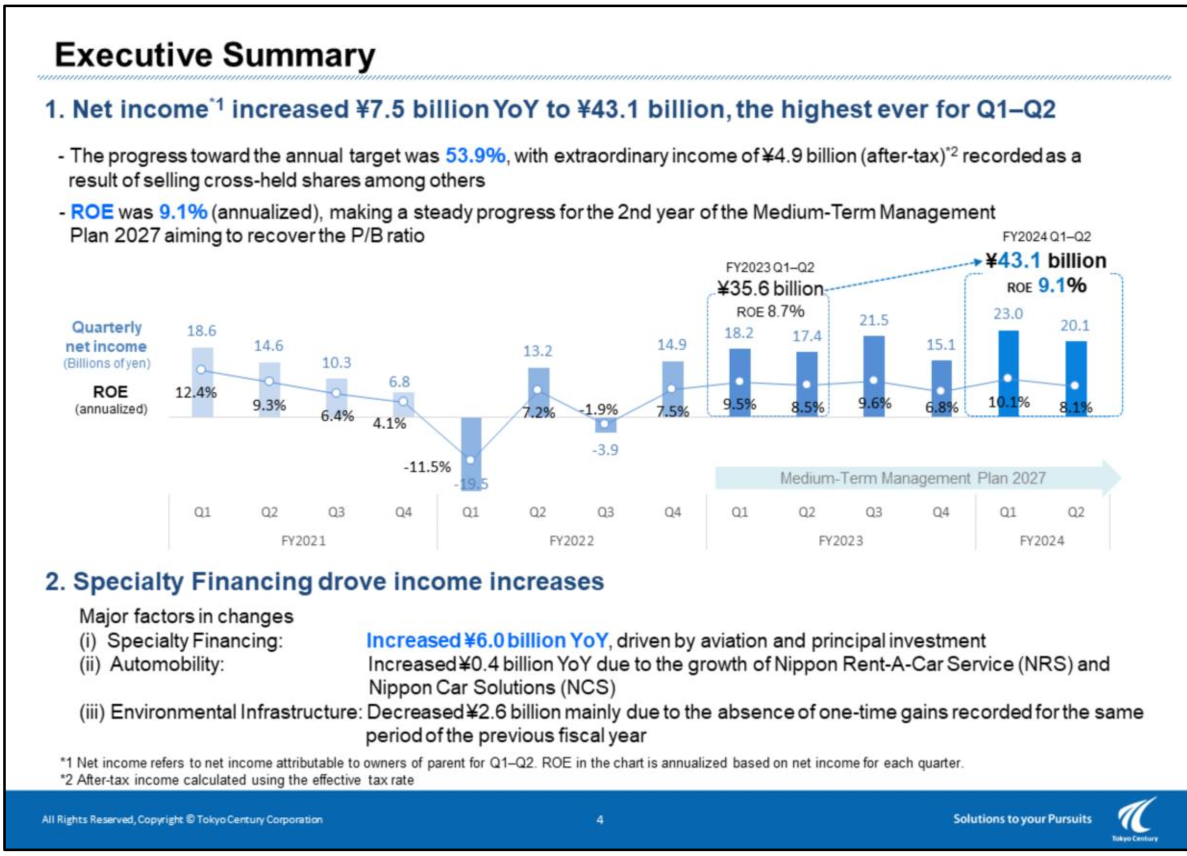
Reference Material (2)
Highlights of Medium-Term Management Plan 2027

Reference Material (3)
Promotion of Collaboration with Partner Companies

Reference Material (4)
Financial Data

Solutions to your Pursuits

Results for FY2024 Q2



Net income for the first half of fiscal 2024 increased by 7.5 billion yen, or 21.1%, to 43.1 billion yen, a record high for the first half of a fiscal year.

In our initial plan, we assumed that more profit would be recorded in the second half of the fiscal year. However, the progress toward the annual target was 53.9% in the first half, 3.9 points higher than the standard rate of 50%, supported by extraordinary income of 4.9 billion yen after tax, including gains on the sale of cross-held shares.

The annualized ROE, one of the KPIs, was 9.1%, which we recognize as steady progress for the second year of the Medium-Term Management Plan 2027.

The second point is the performance of each operating segment. The Specialty Financing and Automobility segments drove i ncome increases in the second quarter. In Specialty Financing, net income increased significantly by 6.0 billion yen year-on-year, mainly due to aviation and principal investments. The net income of Automobility also increased by 0.4 billion yen.

On the other hand, the Environmental Infrastructure segment's net income decreased by 2.6 billion yen year-on-year, mainly due to the a bsence of one-time gain in the same period of the previous fiscal year.

Financial Highlights

Both ordinary income and net income hit a record high for Q1–Q2

(Billions of yen)

	FY2023 Q2 Result	FY2024 Q2 Result	Change	% Change	FY2024 Forecast	% Progress
Ordinary income	59.2	63.7	4.5	7.6%	125.0	51.0%
Net income (loss) attributable to owners of parent	35.6	43.1	7.5	21.1%	80.0	53.9%
EPS	¥72.71	¥88.09	¥15.38	21.2%	¥163.38	53.9%
ROA (Net income / Total assets)	1.2%	1.3%	0.1pt			
ROE (Net income / Shareholders' equity)	8.7%	9.1%	0.4pt			
Average exchange rate (USD1)	¥135.00	¥152.36	(Average exchange rate for January-June used for major overseas subsidiaries)			

Estimated average exchange rate and fiscal-year-end exchange rate for FY2024 forecast: USD1=¥140

	Mar. 31, 2024	Sep. 30, 2024	Change	% Change
Balance of segment assets	5,720.4	6,174.4	454.0	7.9%
Shareholders' equity	872.2	1,031.3	159.1	18.2%
Shareholders' equity ratio	13.5%	14.9%	1.4pt	
Exchange rate at the end of the period (USD1)	¥141.82	¥161.14	(Exchange rate at the end of June used for major overseas subsidiaries)	

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Ordinary income increased by 4.5 billion yen to 63.7 billion yen, and ROA, or return on assets, increased 0.1 points to 1.3%.

Segment assets increased by 454.0 billion yen to 6,174.4 billion yen. However, the main factor was the weaker yen, which inflated the value of the assets by 341.7 billion yen. The real asset increase was 112.3 billion yen.

Shareholders’ equity also increased by 159.1 billion yen to 1,031.3 billion yen, mainly due to increased exchange conversion adjustments resulting from the weaker yen. The shareholders’ equity ratio increased by 1.4 points to 14.9%.

Net Income & ROA by Operating Segment

Income increased YoY in Specialty Financing, Automobility, and International Business

Net income attributable to owners of parent for Q1–Q2

(Billions of yen)

	FY2023 Q2 Result	FY2024 Q2 Result	Change	FY2024 Initial Forecast	% Achievement
Equipment Leasing	12.1	11.3	-0.8	25.0	45%
Automobility	9.9	10.3	0.4	18.0	57%
Specialty Financing	10.9	17.0	6.0	34.0	50%
International Business	4.4	4.9	0.4	13.0	37%
Environmental Infrastructure	3.5	0.9	-2.6	2.5	35%
Other	-5.2	-1.2	4.0	-12.5	-
Total (Net income)	**35.6**	**43.1**	**7.5**	**80.0**	**54%**

ROA
(Net income / Segment assets)

	FY2024 Q2 Result	Change
Equipment Leasing	1.8%	-0.1pt
Automobility	4.3%	0.6pt
Specialty Financing	1.1%	0.3pt
International Business	1.1%	-0.2pt
Environmental Infrastructure	0.6%	-2.0pt
Other		
Total (Net income)	**1.4%**	**0.1pt**

ROA (Net income / Total assets)	
1.3%	0.1pt

Solutions to your Pursuits

Results of Equipment Leasing

(Billions of yen)

	FY2023 Q2 Result	FY2024 Q2 Result	Change	FY2024 Forecast	Gap
Revenues	233.7	224.5	-9.2		
Gross profit	18.5	19.0	0.5		
Operating income	12.2	12.0	-0.2		
Ordinary income	16.1	15.2	-0.9		
NTT TC Leasing	3.6	3.0	-0.6		
Net income attributable to owners of parent	12.1	11.3	-0.8	25.0	13.7

(Achievement:45%)

	FY2023 Q2 Result	FY2024 Q2 Result	Change
ROA (%) (Ordinary income / Segment assets)	2.6%	2.4%	-0.2pt
ROA (%) (Net income / Segment assets)	1.9%	1.8%	-0.1pt

	Mar. 31, 2024	Sep. 30, 2024	Change
Segment assets	1,273.5	1,212.9	-60.6

Factors in changes and annual forecast

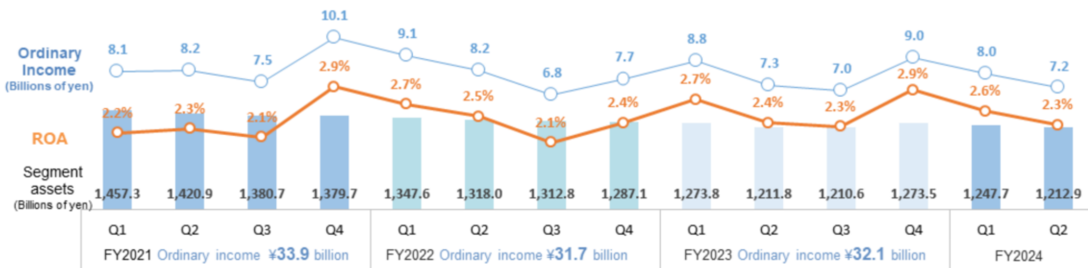
Ordinary income (YoY)

- Decreased mainly due to foreign exchange losses (valuation losses) of NTT TC Leasing* and increased SG&A expenses. Gross profit increased despite an increase in funding cost.

* For performance of NTT TC Leasing, see p.13.

Annual forecast for net income

- The achievement rate is lower than planned, but Equipment Leasing will strive to catch up by promoting portfolio management focused on asset efficiency on a consolidated basis. The measures will include capturing the demand for replacement of IT equipment and increasing profits of Group companies.



* ROA is annualized based on ordinary income for each quarter

7
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In the Equipment Leasing segment, gross profit increased, outpacing the rise in funding costs associated with rising yen interest rates, while the segment recorded exchange valuation losses on the operating assets in foreign currencies of NTT TC Leasing. SG&A expenses also increased. As a result, ordinary income decreased by 0.9 billion yen year-on-year, and net income decreased by 0.8 billion yen. The achievement rate for the annual target is 45%, which is less than the standard achievement rate.

We will implement portfolio management that emphasizes asset efficiency on a consolidated basis and aim to catch up. The measures will include capturing the replacement demand for information and communications equipment against the backdrop of the termination of support for Windows 10 in 2025, as well as increasing profits of NTT TC Leasing and other Group companies in the second half.

We would like to provide some supplementary information about how yen financing costs have been reflected in the leasing fees. The yen financing cost rose from the previous fiscal year in tandem with market interest rates. Please note that this financing cost is based on our internal rates, which is imposed on sales divisions as cost.

On the other hand, thanks to the increased lease contracts with added services, the spread on the new transactions is sufficient to absorb the increased costs. This is the result of our efforts of providing more high-value-added leasing proposals to customers, and we expect it will lead to medium- to long-term growth.

Results of Automobility

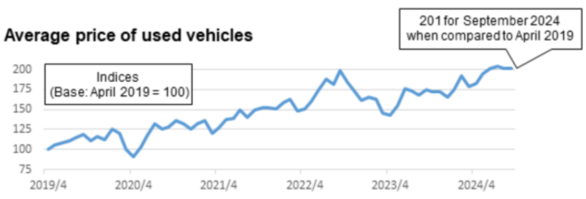
(Billions of yen)

	FY2023 Q2 Result	FY2024 Q2 Result	Change	FY2024 Forecast	Gap
Revenues	189.7	154.5	-35.2		
Gross profit	47.0	49.3	2.3		
Operating income	19.7	21.3	1.6		
Ordinary income	19.9	21.6	1.7		
NCS	11.8	13.2	1.4		
NRS	7.1	8.4	1.3		
OAL	1.1	0.2	-0.8		
Other	-0.1	-0.3	-0.2		
Net income attributable to owners of parent	9.9	10.3	0.4	18.0	7.7
				(Achievement: 57%)	

ROA (%) (Ordinary income / Segment assets)	7.4%	9.0%	1.6pt
NCS	6.7%	7.3%	0.6pt
NRS	31.8%	38.6%	6.8pt
OAL	1.5%	0.6%	-0.9pt
ROA (%) (Net income / Segment assets)	3.7%	4.3%	0.6pt

	Mar. 31, 2024	Sep. 30, 2024	Change
Segment assets	479.0	482.6	3.6

Average price of used vehicles



(Source) Created by Tokyo Century based on auction data (on prices of vehicles sold) of USS that provides one of the largest used car auctions in Japan

Factors in changes and annual forecast

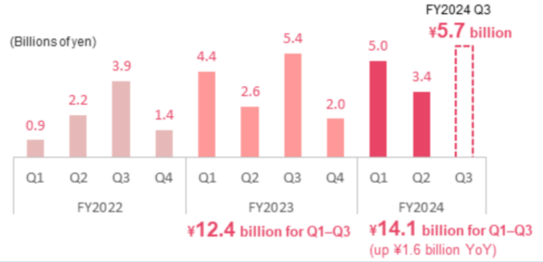
Ordinary income (YoY)

- Nippon Car Solutions (NCS)
  Hit a record high for Q1–Q2, mainly due to increased income from re-leasing, along with increased gain on sales of end-of-lease vehicles as part of the timely sale of used cars
- Nippon Rent-A-Car Service (NRS)*1
  Hit a record high for Q1–Q2 due to increased profitability resulting from the rise in car rental prices per unit
  *1 For performance and other details of NRS, see p.14.

Annual forecast for net income

- Net income remained steady, achieving 57% of the annual target.
  NRS's ordinary income for Q3 (July–September) is also expected to increase YoY (see the figure below). The used car market also remains solid.

(Reference: NRS's ordinary income)
NRS's cumulative ordinary income (January–September) is expected to increase ¥1.6 billion YoY to ¥14.1 billion despite typhoons and a Nankai Trough earthquake advisory issued in August.



8
Solutions to your Pursuits

In the Automobility segment, Nippon Car Solutions' ordinary income increased by 1.4 billion yen year-on-year, supported by an increase in gain on sales of vehicles and an increase in re-leasing revenues due to a delay in the new car supply.

Nippon Rent-A-Car Service recorded a 1.3 billion yen increase in ordinary income as a result of steady business due to an increase in the rental price per unit.

Meanwhile, Orico Auto Leasing's contribution to ordinary income decreased by 0.8 billion yen because it has been reclassified as an equity-method affiliate.

As a result, ordinary income of Automobility as a whole increased by 1.7 billion yen and net income increased by 0.4 billion yen. The achievement rate for the annual target was 57%, well above the standard achievement rate of 50%, which was partially due to high gain on sales of vehicles.

The used car market was one factor in the increase in profits. Used car prices has doubled in the past five years, according to auction data from USS, an operator of one of Japan's largest used car auctions. Used car prices rise for various reasons, but the main factors are a shortage of new cars and a weaker yen.

As for the outlook for the used car market, the supply and demand balance is not expected to improve. We anticipate that prices will remain high next year, with fewer cars of four to five years old in the used car volume zone, because new car production stagnated during the COVID-19 crisis.

Nippon Rent-a-Car Service's performance continued to be strong despite the announcement of the Nankai Trough earthquake advisory in August and the impact of typhoons. Ordinary income for the nine-month period from January to September was 14.1 billion yen, an increase of 1.6 billion yen from the same period of the previous fiscal year.

While the Automobility segment as a whole has progressed steadily toward achieving the full-year targets, we will continue to monitor the situations closely as maintenance costs are currently increasing.

Results of Specialty Financing

(Billions of yen)

	FY2023 Q2 Result	FY2024 Q2 Result	Change	FY2024 Forecast	FY2024 Gap
Revenues	147.2	150.4	3.2		
Gross profit	30.3	33.8	3.5		
Operating income	16.3	19.9	3.6		
Ordinary income	**17.2**	**23.7**	**6.5**		
Aviation	7.2	10.2	3.0		
ACG	3.0	4.5	1.5		
Others	4.2	5.8	1.6		
Shipping	2.4	3.3	0.9		
Real Estate	6.4	6.4	-0.0		
Principal Investment and Others	1.2	3.7	2.5		
Gain on Sales*1	0.5	2.3	1.8		
Others	0.7	1.4	0.7		
Net income attributable to owners of parent	**10.9**	**17.0**	**6.0**	**34.0**	17.0

(Achievement:50%)

	FY2023 Q2 Result	FY2024 Q2 Result	Change
ROA (%) (Ordinary income / Segment assets)	1.3%	1.6%	0.3pt
Aviation	0.8%	1.0%	0.2pt
ACG	0.4%	0.5%	0.1pt
Others	4.1%	5.4%	1.3pt
Shipping	5.4%	7.4%	2.0pt
Real Estate	2.1%	1.8%	-0.3pt
Principal Investment and Others	2.3%	5.8%	3.5pt
ROA (%) (Net income / Segment assets)	0.8%	1.1%	0.3pt

	Mar. 31, 2024	Sep. 30, 2024	Change
Segment assets	2,825.3	3,205.6	380.3

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

Factors in changes and annual forecast

Ordinary income (YoY)

- Aviation
  Increased mainly due to ACG's increased gain on sales of aircraft, one-time cash collection, and the absence of its bad debt expenses recorded for the same period of the previous fiscal year, as well as income of GAT providing aviation aftermarket services

  *For performance and other details of ACG, see p.15.

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

- Principal Investment, etc.
  Increased mainly due to capital gains in principal investment

Annual forecast for net income

- ACG's profitability is expected to recover against a backdrop of aircraft market recovery. Real estate, Principal Investment, and other businesses also expect solid income. Due to the execution timing of ACG's aircraft sale, income will be concentrated in the second half of the fiscal year.

Changes in ACG's quarterly ordinary income on a consolidated basis

Solutions to your Pursuits

Ordinary income of the Specialty Financing segment increased by 6.5 billion yen year-on-year, mainly due to strong performance in the Aviation, Shipping, and Principal Investments and Others. Net income increased by 6.0 billion yen, with the achievement rate being on par with the standard rate of 50%. We are on track to achieve the full-year plan.

ACG's ordinary income for the first half of the fiscal year increased by 1.5 billion yen year-on-year, mainly due to increased gain on sales of aircraft, the collection of a one-time lease payment, and the absence of bad debt expenses recorded in the same period of the previous fiscal year. For the second quarter (three months), however, an ordinary loss of 1.2 billion yen was recorded mainly due to a one-time adjustment factor. In the other aviation business, the profits increased, driven by GA Telesis, an equity-method affiliate engaged in the trading of used parts.

The Shipping business reported a 0.9 billion yen increase in ordinary income, mainly due to an increase in the equity in earnings of affiliates.

The Principal Investment and Others increased by 2.5 billion yen, supported by gain on sales mainly in the principal investments business. The result was a strong increase compared to a slight gain on sales in the same period of the previous fiscal year.

The forecasts announced at the beginning of the year have not changed. As stated in ACG's report on the third quarter financial results, we expect a significant increase in gain on sale of ACG aircraft in the second half of the year, and capital gains mainly in the real estate business. The segment is making steady progress towards achieving its full-year targets.

With the lingering effects of the global aircraft shortage, the used aircraft market remains active. We will focus on increasing profitability and improving ROA, mainly in aircraft trading at ACG and GAT.

In the Shipping, Real Estate, and Principal Investment and Others, we intend to promote an asset turnover model and achieve high ROAs. We will continue to make and recover investments while monitoring market conditions in order to increase profits. In particular, the Principal Investment business is expected to further expand its asset balance as many pipelines with the Advantage Partners Group have been established.

ACG's non-consolidated financial results for the third quarter are shown on page 16. The pre-tax income for the first nine months was $123 million, an increase of $18 million from the same period of the previous fiscal year, mainly due to increased gain on sale of aircraft.
The company's profitability has been gradually improving due to aggressive aircraft sales in a strong market. It will continue to sell aircraft in the fourth quarter and is progressing toward achieving its full-year targets as initially planned.
One risk factor going forward is that the impact of the Boeing strike—which has been reported on daily—has lasted longer than expected, and many airlines have been forced to reduce flights due to aircraft shortages.
ACG expects to acquire aircraft for $1.3 to 1.8 billion through sale-and-leaseback and secondary markets in addition to its own orders and sell them for approximately $1.5 billion this fiscal year.

ACG will continue to balance acquisitions and sales while monitoring conditions and movement in aircraft manufacturers and the used aircraft market.

Results of International Business

(Billions of yen)

	FY2023 Q2 Result	FY2024 Q2 Result	Change	FY2024 Forecast	FY2024 Gap
Revenues	80.8	104.7	23.9		
Gross profit	25.3	30.1	4.8		
Operating income	7.5	8.1	0.5		
Ordinary income	**7.4**	**8.1**	**0.7**		
Asia	2.7	2.2	-0.5		
USA and Europe	4.9	5.6	0.7		
CSI	5.3	5.7	0.4		
Other	-0.5	-0.2	0.3		
Other	-0.2	0.3	0.5		
Net income attributable to owners of parent	**4.4**	**4.9**	**0.4**	**13.0**	8.1

(Achievement: 37%)

	FY2023 Q2 Result	FY2024 Q2 Result	Change
ROA (%) (Ordinary income / Segment assets)	2.1%	1.8%	-0.3pt
Asia	2.4%	1.8%	-0.6pt
USA and Europe	2.0%	1.7%	-0.3pt
CSI	3.1%	2.8%	-0.3pt
Other	-	-	-
ROA (%) (Net income / Segment assets)	1.3%	1.1%	-0.2pt

	Mar. 31, 2024	Sep. 30, 2024	Change
Segment assets	822.7	944.9	122.2

Factors in changes and annual forecast

Ordinary income (YoY)

- **Asia**
  Decreased due to a decrease in income from operational investment securities
- **USA and Europe**
  Income of CSI Leasing (CSI) increased due to the impact of exchange rate fluctuations, although it decreased on a US-dollar basis with a small number of end-of-lease assets, which are sources of secondary income.

* For performance and other details of CSI, see p.22.

Annual forecast for net income

- The achievement rate is lower than planned but is expected to catch up, with gain on sales and increases in CSI's secondary income to record in the second half as initially planned.

Solutions to your Pursuits

In the International Business segment, the Asia business reported a decrease in ordinary income due to a decline in income from operational investment securities. The USA and Europe businesses reported an increase in ordinary income due to the impact of exchange rate fluctuations. On a local currency basis, CSI’s ordinary income decreased due to lower secondary revenue in the second quarter. As a result, the International Business segment reported an increase in ordinary income of 0.7 billion yen and an increase in net income of 0.4 billion yen. The achievement rate for the annual target is 37%, which is less than the standard achievement rate of 50%.

CSI's performance is expected to improve over the second half of the fiscal year.
CSI reported a pre-tax income decline of $2 million in the second quarter. This decline was mainly due to fewer expired leases, which are the source of secondary revenue, and an increase in SG&A expenses associated with the addition of locations. However, this was projected in the initial full-year forecast.

CSI expects to achieve its full-year target, anticipating an increase in secondary revenues, due to an increase in the number of lease contract expirations in the second half of the fiscal year. We expect strong growth to continue in all regions as CSI is expanding business with new vendors and beginning operations at new locations.

In businesses other than CSI, we are also on track to achieve the full-year plan for the entire segment, with gain on sales expected in the second half of the fiscal year.

Results of Environmental Infrastructure

(Billions of yen)

	FY2023 Q2 Result	FY2024 Q2 Result	Change	FY2024 Forecast	FY2024 Gap
Revenues	34.5	32.3	-2.2		
Gross profit	6.8	4.4	-2.4		
Operating income	5.4	2.8	-2.6		
Ordinary income	5.5	2.8	-2.7		
Net income attributable to owners of parent	3.5	0.9	-2.6	2.5	1.6

(Achievement:35%)

	FY2023 Q2 Result	FY2024 Q2 Result	Change
ROA (%) (Ordinary income / Segment assets)	4.1%	2.0%	-2.1pt
ROA (%) (Net income / Segment assets)	2.6%	0.6%	-2.0pt

	Mar. 31, 2024	Sep. 30, 2024	Change
Segment assets	273.9	285.1	11.2

Factors in changes and annual forecast

Ordinary income (YoY)

- Decreased, mainly due to the absence of one-time gains recorded for the same period of the previous fiscal year and increased funding cost related to new overseas investment projects

Annual forecast for net income

- The achievement rate is lower than planned, but various measures are planned to catch up in the second half, including gain on sales and improving the profitability of existing businesses.

Solutions to your Pursuits

The Environmental Infrastructure segment's ordinary income decreased by 2.7 billion yen year-on-year, and net income also decreased by 2.6 billion yen, mainly due to the absence of the one-time profit recorded in the same period of the previous fiscal year and increased funding cost for overseas investment projects. The achievement rate for the annual target is only 35%, which is less than the standard rate.

Due to the nature of the business, revenue from solar power generation—which is affected by the amount of sunlight—is concentrated in the first half of the fiscal year. In addition, due to the nature of the environmental infrastructure business, which requires a large amount of business investment and upfront cost expenditures, mainly funding costs, it is difficult to expect a significant increase in core earnings. Although the hurdles to achieving the full-year plan will be considerably high, we will catch up by securing gain on sales and implementing various measures.

For future growth, we have pipelines of profitable investment projects with excellent partners, mainly overseas. We will steadily work on these one by one to increase profits in the future.

Lastly, the second quarter results for fiscal 2024 are robust overall, although the achievement rates for the annual target vary between operating segments. In the third quarter and onwards, we will work steadily to achieve the annual target of 80 billion yen, with expected gain on sale of aircraft in ACG and capital gains mainly in the real estate business, while implementing PX focusing on medium- to long-term growth.

Reference Material (1)
Topics by Operating Segment

Performance of NTT TC Leasing (NTL)

17 PARTNERSHIPS FOR THE GOALS

Income decreased due to the impact of exchange rate fluctuations, despite expanded segment assets improving earnings power steadily

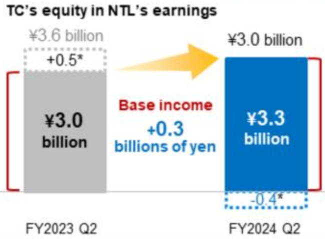
Financial results for six months ended Sept. 30, 2024

NTT TC Leasing's Result (billions of yen)

	FY2023 Q2 Result	FY2024 Q2 Result	Change	% Change
Revenues	187.4	191.4	4.0	2%
Gross profit	18.0	19.9	1.9	10%
Operating income	9.0	9.8	0.9	10%
Ordinary income	**10.5**	**8.6**	**-1.9**	**-18%**
Net income attributable to owners of parent	7.2	6.0	-1.2	-17%
TC's equity in NTL's earnings	**3.6**	**3.0**	**-0.6**	**-17%**

	Mar. 31, 2024	Sep. 30, 2024	Change	% Change
Segment assets	1,962.0	1,965.3	3.3	0%

TC's equity in NTL's earnings

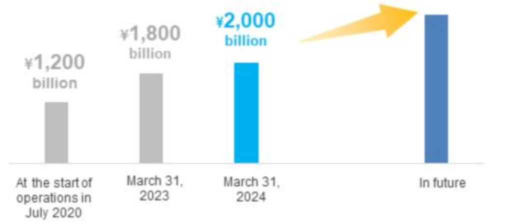


* Valuation profit/loss of foreign-currency-denominated assets calculated based on the exchange rate at the end of the appropriate period

Exchange rate used for calculation:
¥143/USD as of Sept. 30, 2024

Reference:
¥151/USD as of Mar. 31, 2024
The yen appreciated by 8 from the end of the previous fiscal year.

Changes in segment assets



Co-creation to expand segment assets

- **Environment & Energy**: Financing for solar and biomass power generation projects
- **Real Estate**: Enhancement of cooperation with NTT and TC
- **Global**: Financing for overseas data center projects of the NTT Group and TC

In addition to low-cost financing, NTT TC Leasing focuses on expanding its assets through business alliance

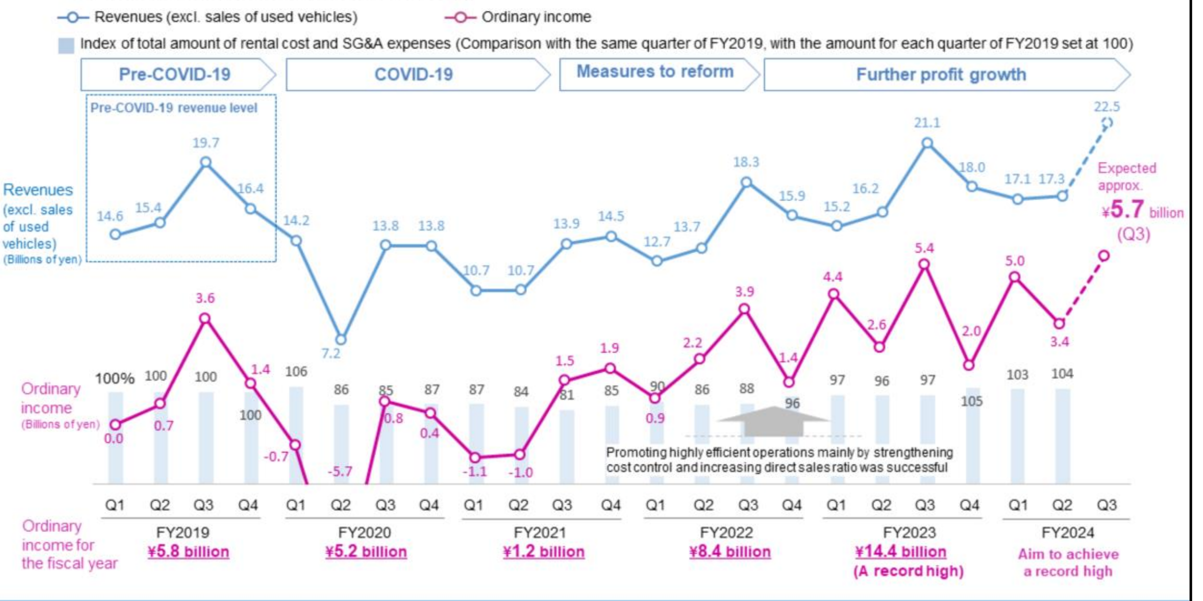
Solutions to your Pursuits

Performance of Nippon Rent-A-Car Service (NRS)

NIPPON Rent-A-Car

Income reached a record high for Q1–Q2 by implementing high-efficiency operations and capturing inbound demand

■ Car Rental Performance Trends (Quarterly)



ACG's Financial Performance I

Increases both in income and revenues YoY primarily due to a smooth recovery in operating lease revenue and gain on sale of aircraft

Financial results (six months ended June 30, 2024)

ACG's Result (USD million)

	FY2023 Q2 Result	FY2024 Q2 Result	Change	%Change
Total revenues	554	589	35	6%
Operating lease revenue	490	536	45	9%
Gain on sale of flight equipment, net	2	21	18	783%
Total expenses	509	537	27	5%
Interest expense, net	200	208	9	4%
Asset impairment	6	5	-1	-19%
Bad debt expense	0	-0	-0	-
Income/loss before income taxes	**45**	**52**	**8**	**17%**
Net Income/Loss	45	49	4	9%
ROA (%)	0.8%	0.9%	0.1pt	

	Dec. 31, 2023	Jun. 30, 2024	Change	%Change
Segment assets	11,964	12,223	259	2%
Number of owned aircraft	309	315	6	2%

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

	FY2023 Q2 Result	FY2024 Q2 Result	Change	%Change
Income/loss before income taxes	6.1	8.0	1.9	32%
Consolidated adjustment	-3.1	-3.5	-0.4	-
Ordinary income	**3.0**	**4.5**	**1.5**	**50%**
Average foreign exchange rate	¥135.00	¥152.36		

- Revenues
  Increased due to higher operating lease revenue and gain on sale of aircraft stemming from the aviation market recovery
- Income/loss before income taxes
  Increased mainly due to increases in operating lease revenue and gain on sale of aircraft, outweighing the impact of higher funding cost
- Segment assets
  Increased mainly due to the delivery of committed aircraft and sale-and-leaseback transactions
- Expected acquisition and sale of aircraft in fiscal 2024
  Sales of aircraft worth up to US$1.5 billion are planned.

  Some impact of delayed delivery from manufacturers is expected, while acquisition of aircraft worth more than the sales amount will be sought through sale-and-leaseback transactions and in the secondary market.

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ACG's Financial Performance II

Income before taxes increased mainly due to gain on sale of aircraft

Financial results (nine months ended September 30, 2024)

ACG's Result (USD million)

	FY2023 Q3 Result	FY2024 Q3 Result	Change	%Change
Total revenues	894	923	30	3%
Operating lease revenue	774	794	20	3%
Gain on sale of flight equipment, net	12	75	63	521%
Total expenses	789	800	11	1%
Interest expense, net	308	315	7	2%
Asset impairment	15	5	-10	-66%
Bad debt expense	0	-0	-0	-
Income/loss before income taxes	**105**	**123**	**18**	**17%**
Net Income/Loss	114	114	-0	-0%
ROA (%)	1.2%	1.4%	0.2pt	

	Dec. 31, 2023	Sep. 30, 2024	Change	%Change
Segment assets	11,964	11,426	-538	-4%
Number of owned aircraft	309	296	-13	-4%

- Revenues
  Increased due to higher operating lease revenue and gain on sale of aircraft stemming from the aviation market recovery
- Income/loss before income taxes
  Increased mainly due to increases in operating lease revenue and gain on sale of aircraft, outweighing the impact of higher funding cost
- Segment assets
  The number of owned aircraft decreased as a result of sale of aircraft.

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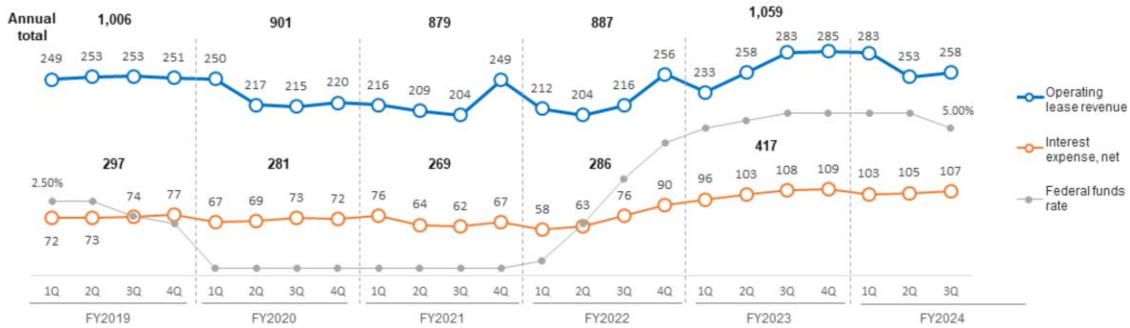
ACG's Earnings Power

Operating lease revenues on a recovery trend, with a sharp increase in gain on sale

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)

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ACG's Financing Activities

Promote diversification of financing sources while flexibly responding to market conditions

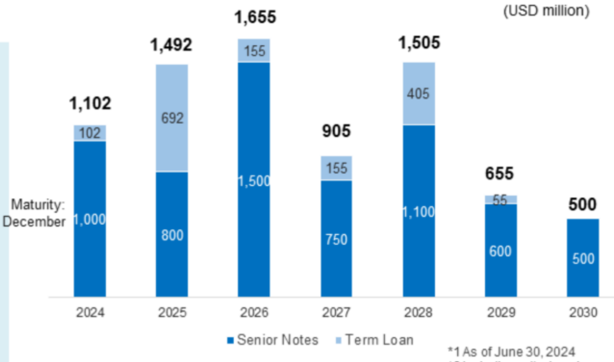
Financing strategies

- ACG builds flexibility into its financing 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 financing strategy helps to reduce financing cost 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 US banks.
- ACG has sufficient liquidity on hand and maintains investment-grade ratings of **BBB– from S&P** and **Baa2 from Moody's**.

Financing structure*1 *2

$8.7 billion

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



*1 As of June 30, 2024
*2 Including adjustment amount

Major financing activities in FY2024

- Closed in February: **Term Loan ($350 million)**
  Term: 4 years
- Issued in June: **Senior Notes ($600 million)**
  Maturity: 2029 Coupon Rate: 5.375%

Major financing activities 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%

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ACG's Portfolio

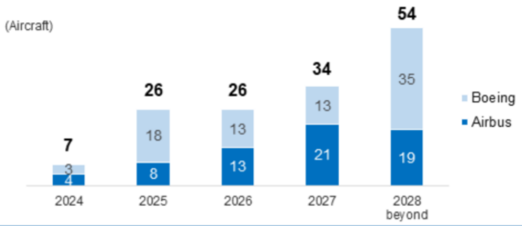
Diversified portfolio with a focus on liquid narrowbody aircraft in approximately 45 countries worldwide

Portfolio overview (as of June 30, 2024)

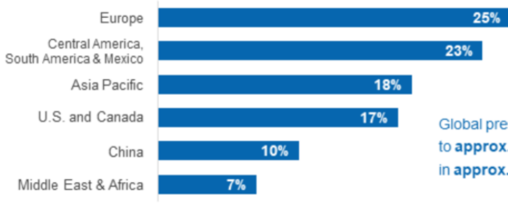
- **Owned, managed and committed aircraft: 483**
  (Owned: 315 Managed: 56 Committed aircraft: 112)
- **Weighted-average fleet age: 6.1 years**
- **Narrowbody by NBV: 91 %**
  (Narrowbody by count: 97%)

Delivery schedule of committed aircraft
(as of June 30, 2024, adjusted for July order for 35 737 MAX jets)

- All orders are **new technology narrowbody aircraft with higher fuel efficiency**
- Many inquiries have been received from airlines in view of rising fuel costs and decarbonization
  (Percentage of new technology aircraft in owned fleet: **60%**)



Geographic concentration (as of June 30, 2024)

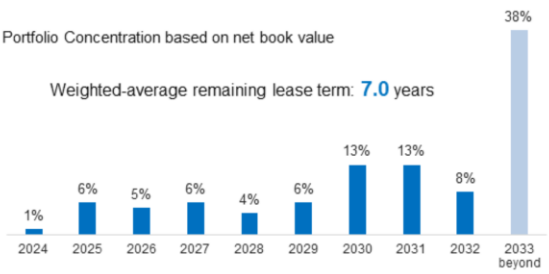


Global presence to **approx. 90 airlines** in **approx. 45 countries**

Portfolio concentration by lease maturity
(as of June 30, 2024)

Portfolio Concentration based on net book value

Weighted-average remaining lease term: **7.0** years



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Real Estate Business: Portfolio Strategy

Promote 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 large-scale urban development projects

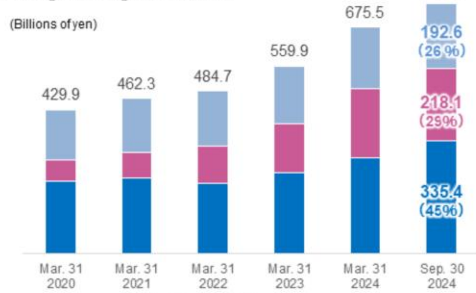
TC Kobelco Real Estate

Expect to increase segment assets by steadily ensuring project pipelines such as **logistics facilities**

Overseas

Strive to establish and expand investment and payback cycles, particularly for **data centers** that is expected to grow in demand, as well as **logistics facilities and rental housing** that experience ongoing stable growth

Changes in segment assets



Project completion schedule

Urban redevelopment projects


Tokiwabashi (near Tokyo station)

TOKYO TORCH (Building B)

Legendary-luxury brand Dorchester Collection to open its hotel

Uchisaiwaicho 1-chome area

South block (South Tower)

2026 — **2027 onward**

Data centers in the U.S.

Investment expansion focused on development projects

Urban redevelopment (TC Kobelco)

Kobe Sannomiya Kumoidori 5-Chome district

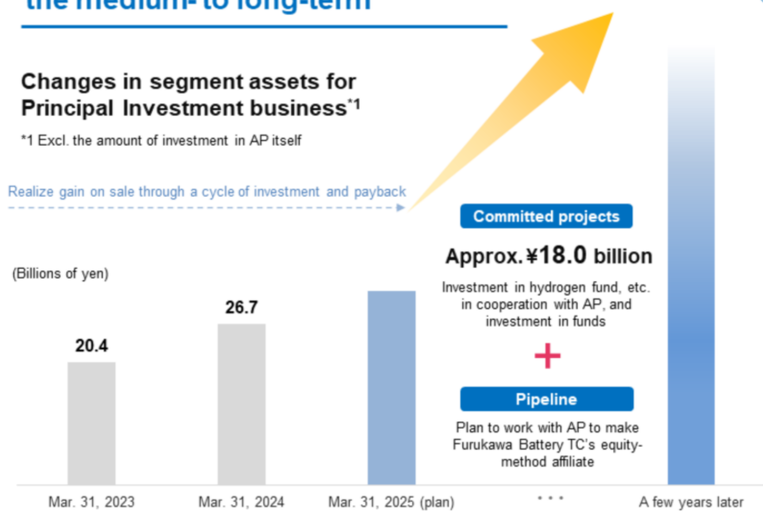
Principal Investment

Principal Investment promoted mainly by cooperating with the Advantage Partners (AP) Group

Steadily build a track record of investments to
further expand investments over the medium- to long-term

Changes in segment assets for Principal Investment business[*1]

*1 Excl. the amount of investment in AP itself



Investment projection

- Investment period: **approx. 5 years**
- Investment amount per project: **approx. ¥5–10 billion**
- Target ROA[*2]: **at least 10%**

*2 Based on ordinary income

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CSI's Performance

Ordinary income decreased YoY for Q1–Q2, but is expected to increase YoY on a full-year basis

Financial results (six months ended June 30, 2024)

(USD million)

	FY2023 Q2 Result	FY2024 Q2 Result	YoY Change	% YoY Change
Revenues	406	433	27	7%
Gross profit	189	208	19	10%
Ordinary income	**43**	**41**	**-2**	**-4%**
Net income	**29**	**28**	**-1**	**-3%**
ROA (%) *1	3.6%	3.1%	-0.5pt	
RORA (%) *1, 2	11.9%	10.9%	-1.0pt	
Transaction volume	796	698	-98	-12%

	Dec. 31, 2023	Jun. 30, 2024	YoY Change	%YoY Change
Segment assets	2,659	2,613	-46	-2%

*1 Based on pre-tax income *2 Pre-tax ROA after deducting non-recourse loan

Major factors in changes

- Income decreased mainly due to a small number of end-of-lease assets, which are sources of secondary income, and also increases in SG&A expenses associated with the opening of bases. It is expected to increase YoY on a full-year basis, with more end-of-lease assets in the second half.
- Transaction volume decreased due to the absence of major deals closed in the same period of the previous year, but is expected to increase YoY on a full-year basis.

Balance of segment assets by region

Since becoming TC's wholly owned subsidiary in 2016, CSI has expanded its global bases, with **segment assets tending to increase**

* CSI became TC's wholly owned subsidiary

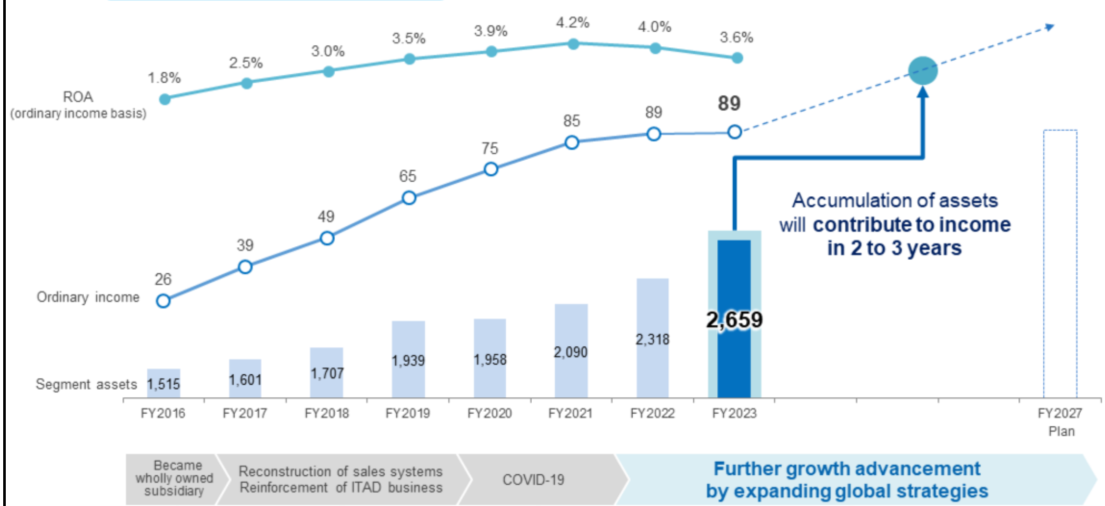
CSI's Growth Strategies

CSI has achieved high growth since becoming TC's consolidated subsidiary in FY2016 and expects to further grow with its global strategies

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

CAGR: 19% (FY2016–FY2023)

(USD million)



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CSI's Global Strategies
Expand its global network by increasing its operating bases and ITAD service locations in response to growing demand
Aiming to further expand its bases through M&A
ITAD service location in Japan
CSI acquired a 20% stake of EPC Japan in 2023
Approx. 40 bases in the U.S.
CSI LEASING
New head office in Missouri
*Moved in September 2024
Base in Hungary established in 2023
Base in Austria established in 2023
Base in Indonesia established in 2023
CSI's M&A Results
FY2021–FY2022
Converted two leasing companies in Norway and an ITAD service company in Germany into consolidated subsidiaries
Expansion of operating bases and ITAD service facilities in Europe
FY2023
Converted an ITAD service company in Malaysia into a consolidated subsidiary
Enhancement of ITAD services in the Asian region
ITAD service location established in Brazil in 2024 (5th country in Latin America)
ITAD service location established in Colombia in 2023 (4th country in Latin America)
Expanded areas
Business base
Leasing and ITAD* services provided: more than 50 countries
* IT asset disposition service (Process of disposing of IT equipment through safe and environmentally appropriate methods)
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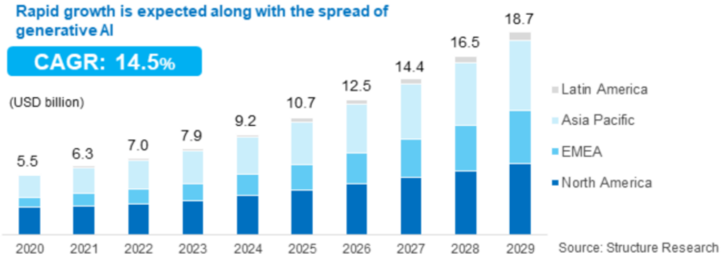
24
Solutions to your Pursuits
Tokyo Century

Data Center Business with the NTT Group

Invest jointly with the NTT DATA Group in three data centers (DC) in the U.S., a promising DC market

Forecast of the global DC colocation*1 market size



Source: Structure Research

Data centers in Chicago, U.S.

TC's acquisition costs:
USD 459 million (ownership ratio: 80%)

*1 A service of providing an environment to support the IT infrastructure of businesses, including internet connectivity, power, and cooling. Users can reduce their burden as they can outsource management and maintenance of their servers and other equipment.

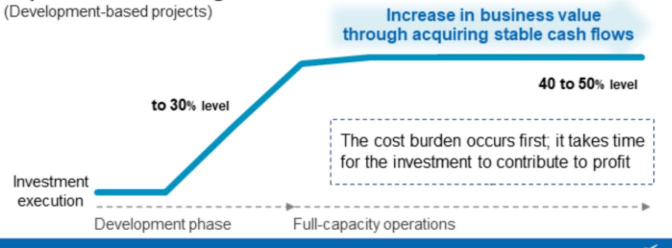
*2 Profitability without taking into account interest expenses and depreciation; values estimated by TC based on past data and other figures.

Core competencies of NTT DATA Group

- **The world's third-largest*3** DC provider
  1st: Equinix (U.S.)
  2nd: Digital Realty (U.S.)
- **The scale of business and expertise to secure extensive development sites and sufficient electric power** that are important competitive factors in DC construction
- **Server racks available for heat-generating GPUs to meet expanding AI demand**, in addition to providing global network and managed services.

*3 Based on sales in the colocation market, excluding Chinese providers

Expected EBITDA margin*2 trend
(Development-based projects)



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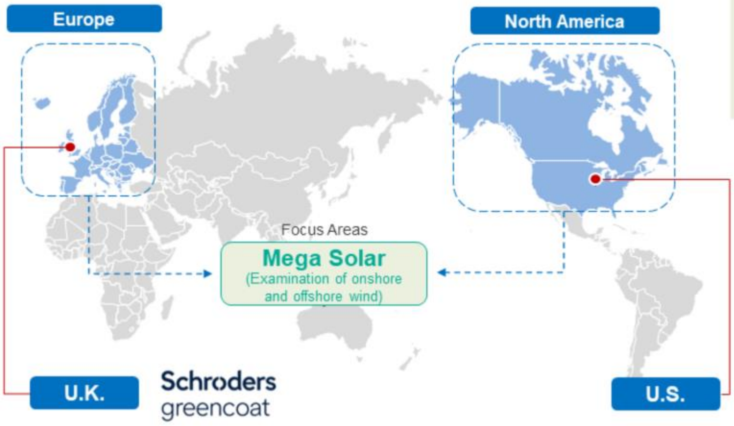
Overseas Renewable Energy Projects

Collaborate with prime partners to increase high-return projects overseas

North America and Europe are the main targets for higher profitability and more deals



Schroders greencoat

Acquired 34 operating solar power plants in cooperation with the subsidiary of **major asset manager Schroders**

Generation capacity is **303 MW** (simple sum).

ITOCHU

Together with **ITOCHU,** acquired the right to develop two US solar power plants through a joint venture (Tokyo Century and ITOCHU each owns a 50% equity)

Generation capacity is **256 MW** (simple sum).

Investment projection

Despite conditions depending on each project, the standard investment projection is the following:

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

Investment policies

- **Collaborate with prime partners knowledgeable about overseas business** to jointly acquire assets
- **Business model**
  It takes time for the development projects to contribute to profit, but profit will be sought while circulating assets to a certain degree.

Solutions to your Pursuits

Ordinary Income and ROA by Operating Segment

Ordinary income increased ¥4.5 billion YoY primarily due to strong aviation business, principal investment, etc. in Specialty Financing

Ordinary income

(billions of yen)

	FY2023 Q2 Result	FY2024 Q2 Result	Change
Equipment Leasing	16.1	15.2	-0.9
Automobility	19.9	21.6	1.7
Specialty Financing	17.2	23.7	6.5
International Business	7.4	8.1	0.7
Environmental Infrastructure	5.5	2.8	-2.7
Other	-6.9	-7.6	-0.7
Total (Ordinary income)	**59.2**	**63.7**	**4.5**

ROA
(Ordinary income / Segment assets)

	FY2024 Q2 Result	Change
Equipment Leasing	2.4%	-0.2pt
Automobility	9.0%	1.6pt
Specialty Financing	1.6%	0.3pt
International Business	1.8%	-0.3pt
Environmental Infrastructure	2.0%	-2.1pt
Other		
Total (Ordinary income)	**2.1%**	**-0.1pt**

ROA (Ordinary income / Total	
1.9%	-

Solutions to your Pursuits

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

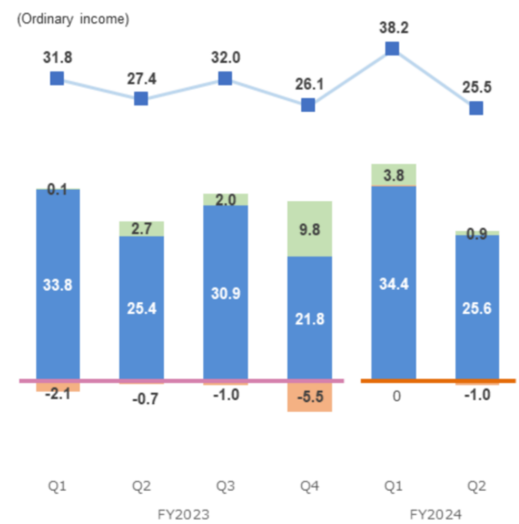
Core earnings amounted to ¥59.9 billion, up ¥0.7 billion YoY

YoY

Figures in parentheses are YoY changes

Quarterly changes

(Billions of yen)



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

28
Solutions to your Pursuits

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

Core earnings in Specialty Financing increased due to the growth of aviation business

(Billions of yen)

	FY2023						FY2024			
	Q1	Q2	Q3	Q4	Total (Q1-Q2)	Total (Annual)	Q1	Q2	Total (Q1-Q2)	Change
Equipment Leasing	8.8	7.3	7.0	9.0	16.1	32.1	8.0	7.2	15.2	-0.9
Core earnings	8.7	7.4	7.0	8.9	16.1	32.0	8.1	7.2	15.3	-0.8
Gain on sales *1	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc. *2	0.0	-0.0	-0.0	0.1	0.0	0.0	-0.0	-0.1	-0.1	-0.1
Automobility	11.9	8.0	8.2	4.5	19.9	32.5	12.5	9.1	21.6	1.7
Core earnings	11.9	8.0	8.1	4.4	19.9	32.4	12.5	9.0	21.6	1.7
Gain on sales	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc.	0.0	-0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0
Specialty Financing	5.9	11.3	17.2	12.9	17.2	47.4	16.3	7.3	23.7	6.5
Core earnings	7.9	9.4	16.2	9.1	17.3	42.6	12.8	7.6	20.3	3.0
Gain on sales	0.1	2.7	2.0	6.2	2.8	11.1	3.8	0.9	4.7	1.8
Impairment, bad debt, etc.	-2.1	-0.9	-0.9	-2.4	-2.9	-6.3	-0.2	-1.1	-1.3	1.6
International Business	4.2	3.2	3.4	5.7	7.4	16.5	3.9	4.2	8.1	0.7
Core earnings	4.3	3.1	3.5	3.2	7.4	14.1	3.9	4.2	8.1	0.6
Gain on sales	-	-	-	3.6	-	3.6	-	-	-	-
Impairment, bad debt, etc.	-0.1	0.1	-0.0	-1.1	-0.0	-1.2	0.0	-0.0	0.0	0.1
Environmental Infrastructure	3.8	1.7	-0.2	-1.4	5.5	3.8	1.1	1.7	2.8	-2.7
Core earnings	3.7	1.7	-0.2	0.7	5.4	5.9	1.1	1.7	2.8	-2.6
Gain on sales	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc.	0.1	-0.0	0.0	-2.2	0.1	-2.1	-	-	-	-0.1
Other	-2.8	-4.1	-3.6	-4.4	-6.9	-15.0	-3.7	-4.0	-7.6	-0.7
Core earnings	-2.8	-4.1	-3.6	-4.5	-7.0	-15.1	-3.9	-4.2	-8.1	-1.2
Gain on sales	-	-	-	-	-	-	-	-	-	-
Impairment, bad debt, etc.	-0.0	0.1	0.0	0.0	0.1	0.1	0.2	0.3	0.5	0.4
Total	**31.8**	**27.4**	**32.0**	**26.1**	**59.2**	**117.3**	**38.2**	**25.5**	**63.7**	**4.5**
Core earnings	33.8	25.4	30.9	21.8	59.2	111.9	34.4	25.6	59.9	0.7
Gain on sales	0.1	2.7	2.0	9.8	2.8	14.7	3.8	0.9	4.7	1.8
Impairment, bad debt, etc.	-2.1	-0.7	-1.0	-5.5	-2.8	-9.3	0.0	-1.0	-0.9	1.9

*1 Aggregated results: gains (losses) on sales of real estate and operational investment securities
*2 Aggregated results: impairment, bad debt expenses, and gain (loss) on valuation of operational investment securities, etc.

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Balance of Segment Assets by Operating Segment

Segment assets increased ¥454.0 billion from the end of the previous fiscal year, primarily due to increases in Specialty Financing and International Business, in addition to the impact of exchange rate fluctuations

(Billions of yen)

		Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Sep. 30, 2024	Change
Balance of segment assets		**4,800.5**	**4,879.4**	**5,363.8**	**5,720.4**	**6,174.4**	**454.0** +341.7*
Equipment Leasing		1,489.1	1,379.7	1,287.1	1,273.5	1,212.9	-60.6
	Percentage	31.0%	28.3%	24.0%	22.3%	19.6%	
Automobility		629.5	611.8	611.6	479.0	482.6	3.6
	Percentage	13.1%	12.5%	11.4%	8.4%	7.8%	
Specialty Financing		2,034.4	2,152.5	2,490.6	2,825.3	3,205.6	380.3 +259.1*
	Percentage	42.4%	44.1%	46.4%	49.4%	51.9%	
International Business		483.1	557.1	655.7	822.7	944.9	122.2 +82.1*
	Percentage	10.1%	11.4%	12.2%	14.4%	15.3%	
Environmental Infrastructure		150.3	159.4	277.9	273.9	285.1	11.2 +0.5*
	Percentage	3.1%	3.3%	5.2%	4.8%	4.6%	
Other		13.9	19.0	41.0	46.0	43.3	-2.7
	Percentage	0.3%	0.4%	0.8%	0.7%	0.8%	

* Exchange rate factors

Solutions to your Pursuits

Reference Material (2)
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[*1]	
Net income attributable to owners of parent (Billions of yen)	100.0
ROA (ratio of net income to total assets)	1.4%
ROE	10%

Non-financial KPI	
Initiatives for realizing 50% GHG emissions reduction by FY2030[*2]	33%−50%
Employee engagement index[*3] (deviation value)	Maintain/improve ratio of positive responses

*1 FY2027 estimated foreign exchange rate: 1US$＝¥130
*2 Target of a 50% reduction in greenhouse gas (GHG) emissions by FY2030 from base year of FY2021 announced
*3 The measurement method was changed to Motivation Cloud provided by Link and Motivation Inc. in 2024.

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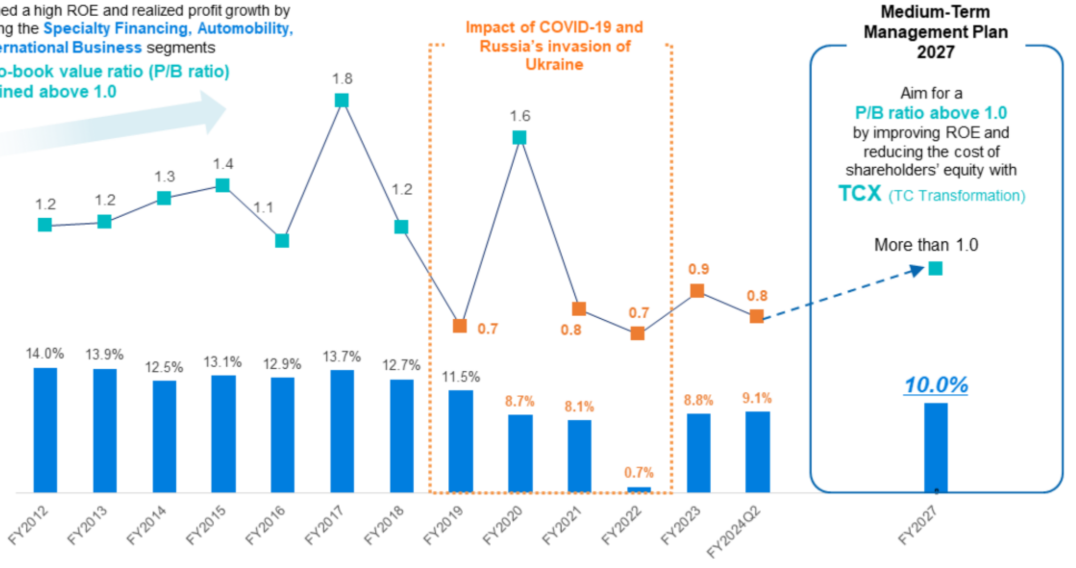
ROE and P/B Ratio

Analysis for P/B ratio above 1.0

Maintained a high ROE and realized profit growth by expanding the **Specialty Financing, Automobility,** and **International Business** segments

Price-to-book value ratio (P/B ratio) maintained above 1.0



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

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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**

Latest P/B Ratio = **ROE** / Cost of shareholders' equity including expected growth rate

Latest P/B Ratio: **0.8–0.9**

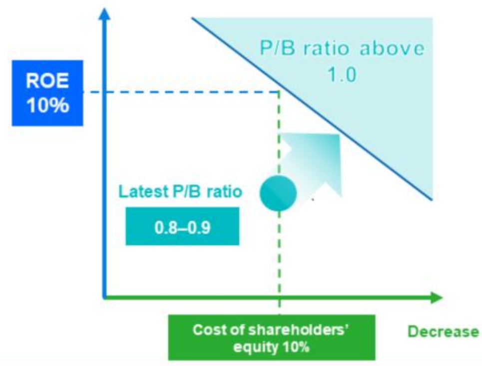
ROE: **8.8%*** ↑ (*ROE of FY2023)

Cost of shareholders' equity including expected growth rate: **Approx. 10%** ↓

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 business
  - 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**



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%

* A 4-for-1 stock split of common stock was conducted effective January 1, 2024. Dividends shown in the graph below are figures after retroactively applying the amendments resulting from the impact of the stock split.

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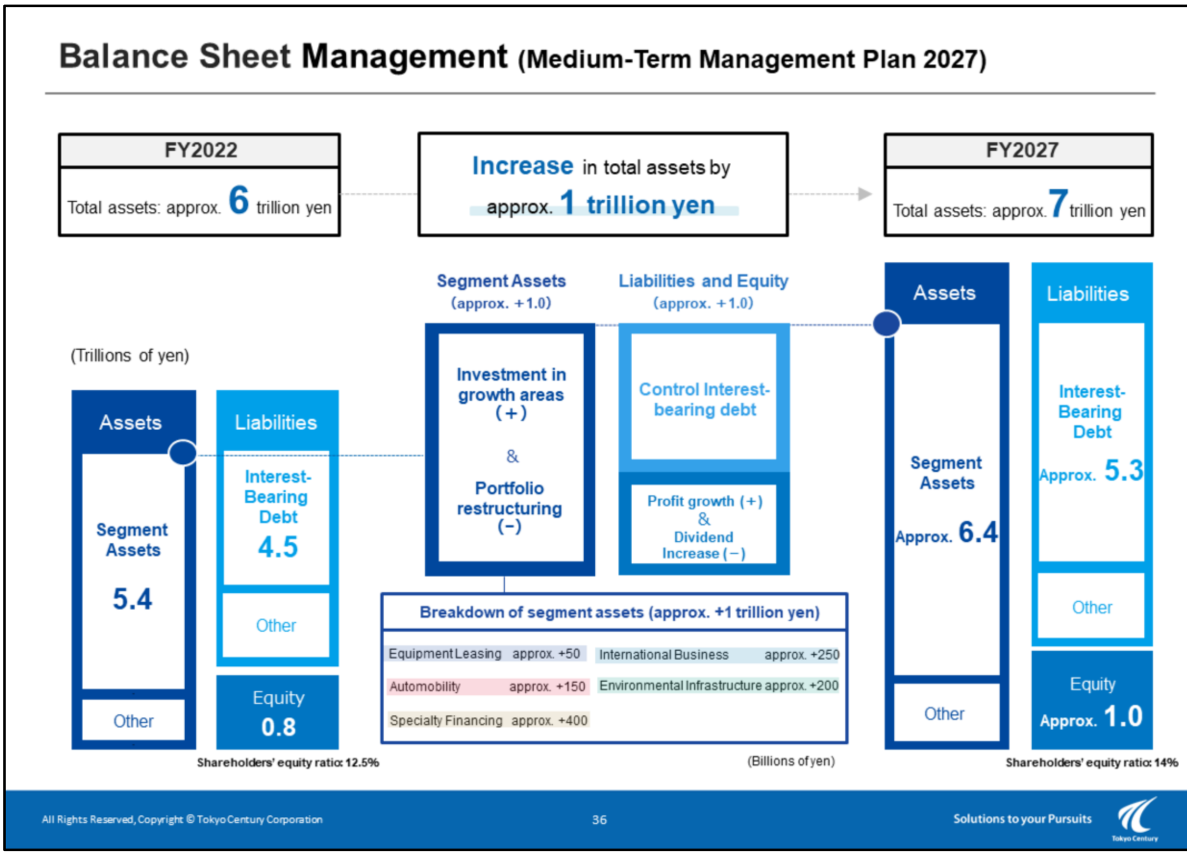
Balance Sheet Management (Medium-Term Management Plan 2027)
FY2022
Total assets: approx. 6 trillion yen
Increase in total assets by approx. 1 trillion yen
FY2027
Total assets: approx. 7 trillion yen
(Trillions of yen)
Assets
Liabilities
Segment Assets
5.4
Other
Interest-Bearing Debt
4.5
Other
Equity
0.8
Shareholders' equity ratio: 12.5%
Segment Assets
(approx. +1.0)
Liabilities and Equity
(approx. +1.0)
Investment in growth areas (+)
&
Portfolio restructuring (−)
Control Interest-bearing debt
Profit growth (+)
&
Dividend Increase (−)
Breakdown of segment assets (approx. +1 trillion yen)
Equipment Leasing approx. +50
International Business approx. +250
Automobility approx. +150
Environmental Infrastructure approx. +200
Specialty Financing approx. +400
(Billions of yen)
Assets
Liabilities
Segment Assets
Approx. 6.4
Other
Interest-Bearing Debt
Approx. 5.3
Other
Equity
Approx. 1.0
Shareholders' equity ratio: 14%
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36
Solutions to your Pursuits
Tokyo Century

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, while Specialty Financing and International Business strive to further enhance earnings power

Comparison of FY2023 Result and FY2027 Plan

(Net income attributable to owners of parent)

(Billions of yen)

	FY2023 Result	FY2027 Plan	Change	Fiscal 2023 results and challenges for achieving the plan
Equipment Leasing	24.2	29.0	4.8	NTT TC Leasing's record-breaking income, portfolio transformation (PX) initiatives, including revising shareholding ratios Strengthening of TC's own earnings power, expansion of joint businesses with partners
Automobility	16.7	16.0	-0.7	Achievement of the plan due to large profit contributions from NRS, PX initiatives, including revising shareholding ratios NCS: Accumulation of quality assets with organic and inorganic methods NRS: Strategies for improving branches, capture of inbound demand
Specialty 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 growth areas (logistics facilities and data centers)
International Business	11.0	21.0	10.0	Participation in data center businesses with the NTT Group in the U.S. CSI: Global strategies leveraging M&A Improvement of business models, including bolstering global partnerships
Environmental Infrastructure	1.9	7.5	5.6	Large-scale investment to acquire the UK's solar power plants for stable earnings over the long term Earnings expansion from strategic M&A, overseas renewable energy projects, and storage battery business Increase in new earnings opportunities using asset management expertise
Other	-11.5	-21.5	-10.0	
Total	**72.1**	**100.0**	**27.9**	

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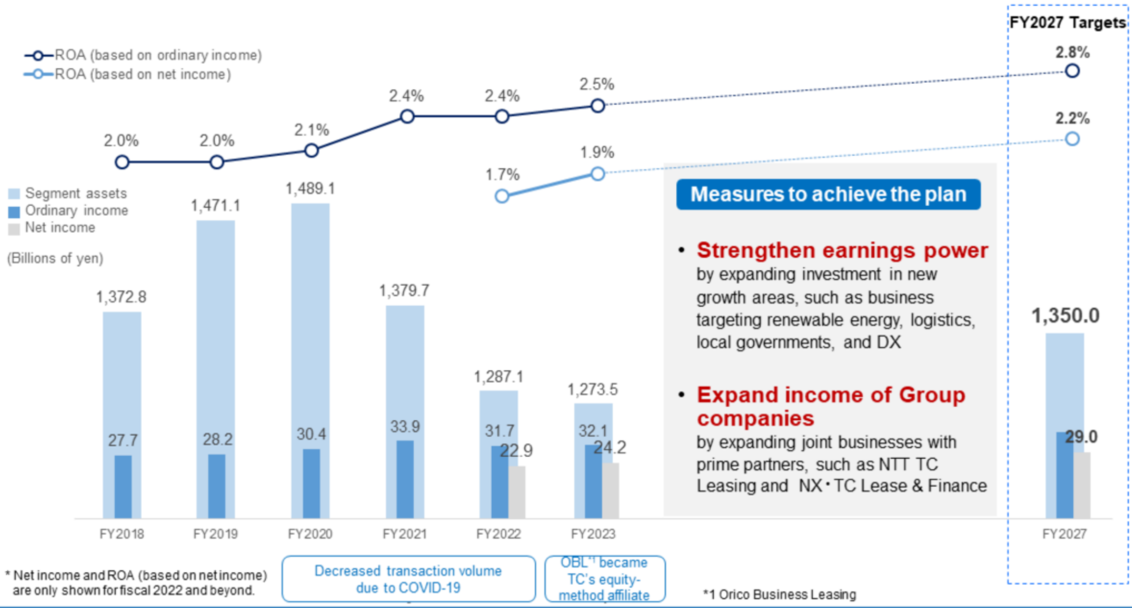
Operating Performance of Equipment Leasing

To achieve the Medium-Term Management Plan 2027:

Strengthen earnings power on a non-consolidated basis and expand joint businesses with partners, thereby increasing consolidated income



Measures to achieve the plan

- **Strengthen earnings power** by expanding investment in new growth areas, such as business targeting renewable energy, logistics, local governments, and DX
- **Expand income of Group companies** by expanding joint businesses with prime partners, such as NTT TC Leasing and NX・TC Lease & Finance

* Net income and ROA (based on net income) are only shown for fiscal 2022 and beyond.

*1 Orico Business Leasing

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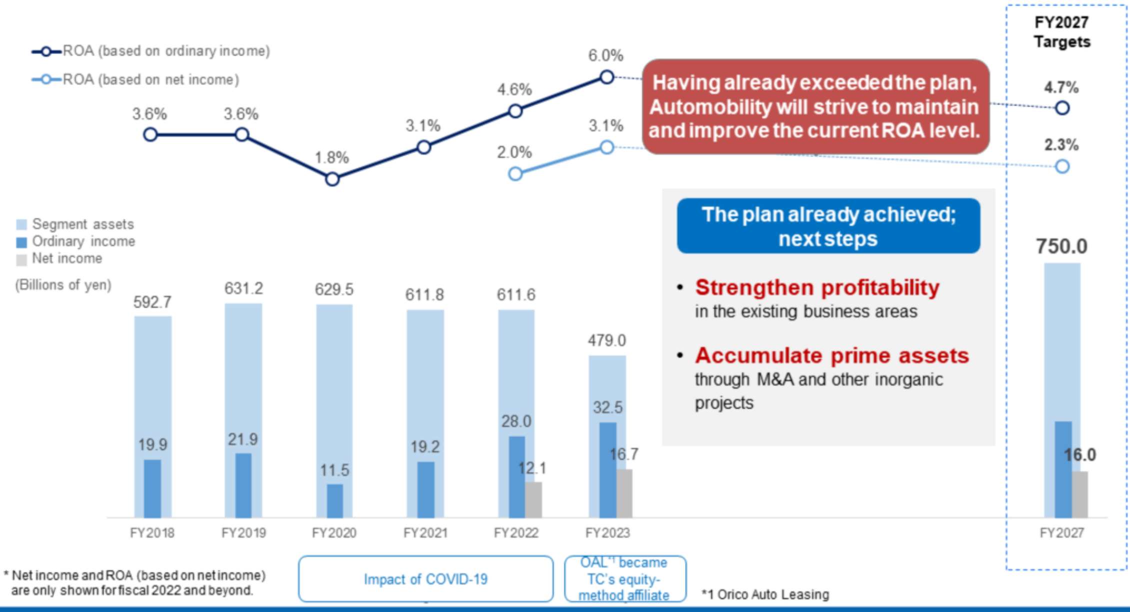
Operating Performance of Automobility

The Medium-Term Management Plan 2027 already achieved; next steps:

Strengthen profitability in the existing business areas and accumulate prime assets



The plan already achieved; next steps

- **Strengthen profitability** in the existing business areas
- **Accumulate prime assets** through M&A and other inorganic projects

* Net income and ROA (based on net income) are only shown for fiscal 2022 and beyond.

*1 Orico Auto Leasing

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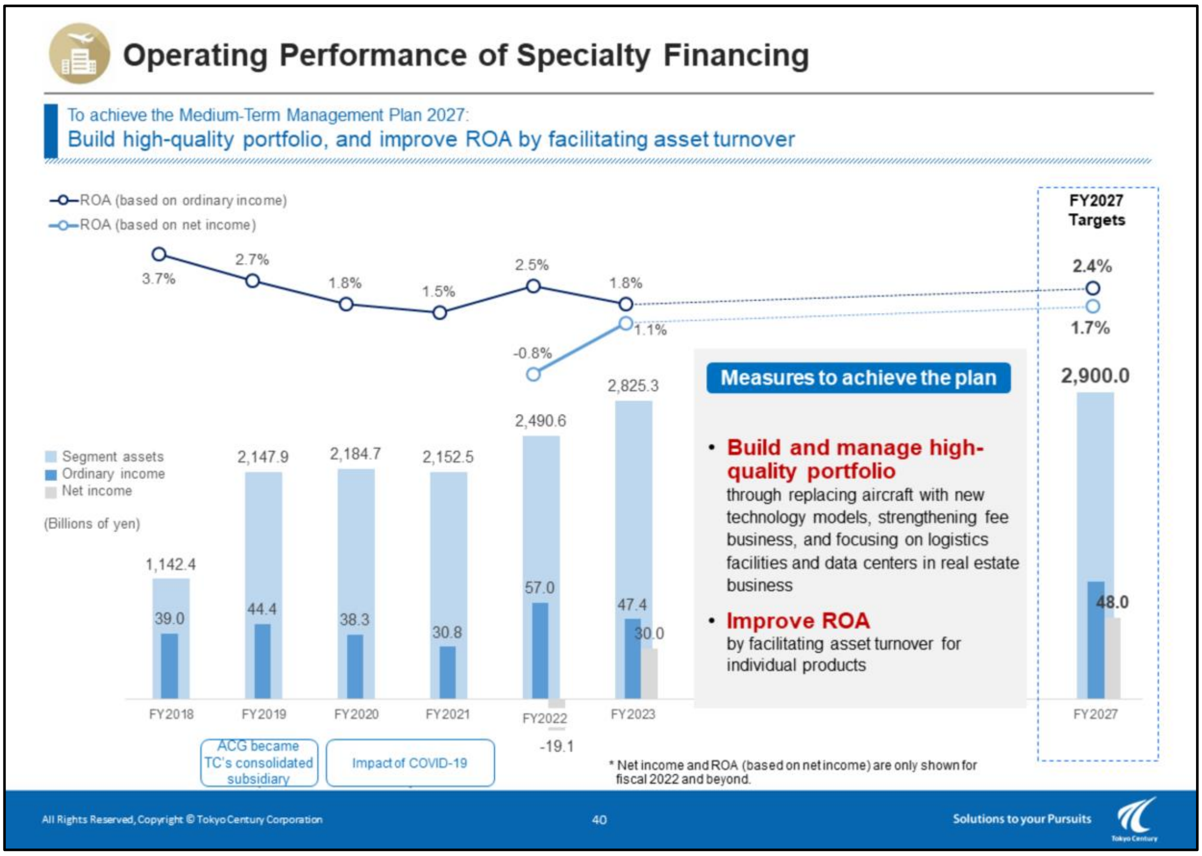

Operating Performance of Specialty Financing
To achieve the Medium-Term Management Plan 2027:
Build high-quality portfolio, and improve ROA by facilitating asset turnover
ROA (based on ordinary income)
ROA (based on net income)
FY2027 Targets
3.7%
2.7%
1.8%
1.5%
2.5%
1.8%
2.4%
-0.8%
1.1%
1.7%
Segment assets
Ordinary income
Net income
(Billions of yen)
1,142.4
2,147.9
2,184.7
2,152.5
2,490.6
2,825.3
2,900.0
39.0
44.4
38.3
30.8
57.0
47.4
30.0
48.0
-19.1
FY2018
FY2019
FY2020
FY2021
FY2022
FY2023
FY2027
ACG became TC's consolidated subsidiary
Impact of COVID-19
Measures to achieve the plan
• Build and manage high-quality portfolio
through replacing aircraft with new technology models, strengthening fee business, and focusing on logistics facilities and data centers in real estate business
• Improve ROA
by facilitating asset turnover for individual products
* Net income and ROA (based on net income) are only shown for fiscal 2022 and beyond.
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40
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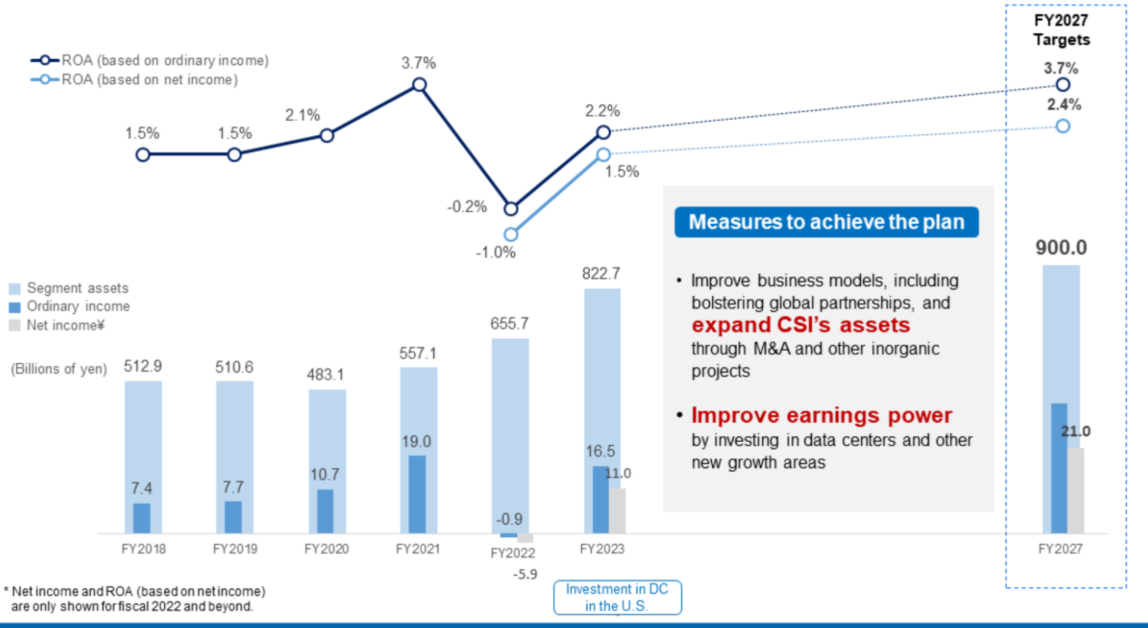
Operating Performance of International Business

To achieve the Medium-Term Management Plan 2027:
Expand CSI's assets and improve earnings power by investing in new growth areas



* Net income and ROA (based on net income) are only shown for fiscal 2022 and beyond.

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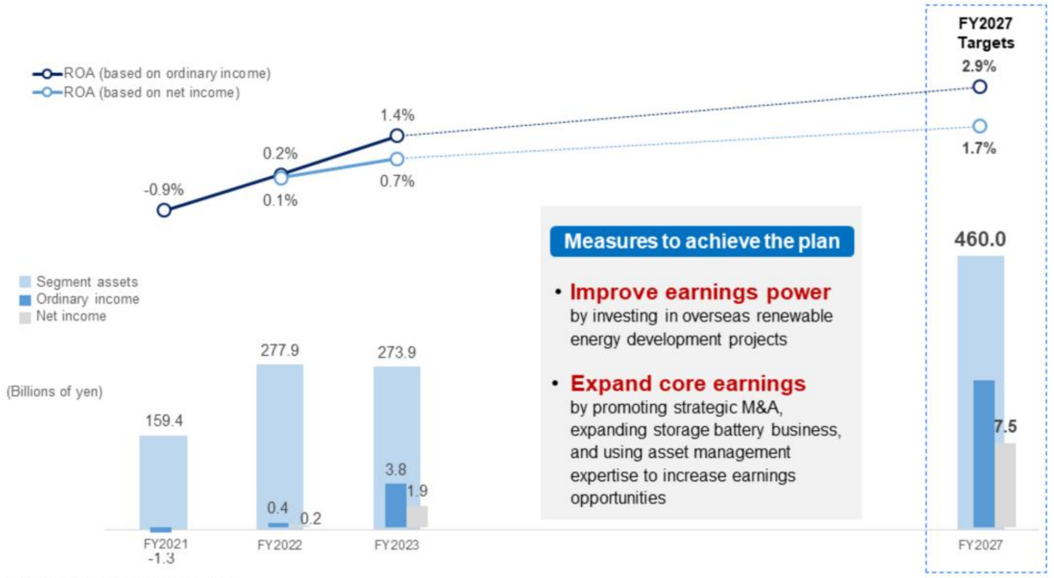
Operating Performance of Environmental Infrastructure

To achieve the Medium-Term Management Plan 2027:

Promote investment in overseas renewable energy and other projects



Measures to achieve the plan

- **Improve earnings power** by investing in overseas renewable energy development projects
- **Expand core earnings** by promoting strategic M&A, expanding storage battery business, and using asset management expertise to increase earnings opportunities

* Net income and ROA (based on net income) are only shown for fiscal 2022 and beyond.

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Reference Material (3)
Promotion of Collaboration with Partner Companies

Solutions to your Pursuits

Collaboration with the NTT Group

Collaboration underway in each business field by integrating the strengths of both companies

2005 — 2020 — 2021 — 2022

Started Collaboration with NTT

Auto leasing

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

NCS

FY2023
Ordinary income

¥16.6 billion

Leasing and finance

- Established a joint venture for leasing and finance business
- Expanded collaboration in co-creation projects for equipment leasing

NTT·TCリース

FY2023
Equity in earnings of the affiliate

¥7.5 billion

Environment and energy

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

Investment fund for renewable energy business

Data centers

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

India

Mumbai8

U.S.

Data centers in Chicago

Real estate

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

Collaboration with CSI

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

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Collaboration with ITOCHU Corporation

Advancing collaboration with the ITOCHU Group in various projects

Construction machinery and truck finance

ZAXIS Finance

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

ITOCHU TC Construction Machinery

- Sale and rental of construction machinery and materials in Japan
- Shareholding Ratio: TC 50%, ITOCHU 50%

IFAI

- Collaboration in North American truck finance business with the ITOCHU Group

FamilyMart

Leasing of store fixtures for FamilyMart

- Leasing of store fixtures and digital signage equipment and provision of asset management services to convenience store operator FamilyMart Co., Ltd.

Environment and energy

Domestic and overseas renewable energy projects

- Collaboration in domestic solar power and biomass power generation projects
- Jointly acquired the right to develop two US solar power plants

IBeeT

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

Hydrogen infrastructure investment

- 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, to provide 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 business

Solutions to your Pursuits

Group Companies (Joint ventures with partners)

Location	Company Name		Shareholders		Main Business Operations
			TC	Partners	
Equipment Leasing					
Japan	FLCS Co., Ltd.		80%	Fujitsu: 20%	IT equipment leasing
	IHI Finance Support Corporation		66.5%	IHI : 33.5%	General leasing and finance
	ITEC Leasing Co., Ltd.		85.1%	NHK Group: 14.9%	General leasing
	TC Tsukishima Energy Solution LLC		90%	Tsukishima Kikai: 10%	Sale of electricity generated using biogas
	Amada Lease Co., Ltd.		60%	Amada: 40%	General leasing
	NTT TC Leasing Co., Ltd.	*	50%	NTT Group: 40%, NTT Finance: 10%	General leasing and finance
	NX･TC Lease & Finance Co., Ltd.	*	49%	NIPPON EXPRESS HD: 49% Sompo Japan Insurance: 2%	General leasing and finance
	ITOCHU TC Construction Machinery Co., Ltd.	*	50%	ITOCHU: 50%	Sales and rental of construction machinery
	IBeeT Corporation	*	50%	ITOCHU: 50%	Subscription services for decentralized power supplies and related equipment
	Nanatsujima Biomass Power LLC	*	25.1%	IHI and 7 other companies	Electricity generation business
	FFG Lease Co., Ltd.	*	50%	Fukuoka Financial Group, Inc.: 50%	General leasing
	Orico Business Leasing Co., Ltd.	*	20%	Orient Corporation: 80%	General leasing
Automobility					
Japan	Nippon Car Solutions Co., Ltd.		59.5%	NTT: 40.5%	Auto leasing
	Nippon Rent-A-Car Service, Inc.		88.6%	ANA Holdings: 11.4%	Car rental
	Orico Auto Leasing Co., Ltd.	*	34%	Orient Corporation: 66%	Auto leasing for individuals

* Equity-method affiliate

Solutions to your Pursuits

Group Companies (Joint ventures with partners)

Location	Company Name		Shareholders		Main Business Operations
			TC	Partners	
Specialty Financing					
Japan	TC Kobelco Real Estate Co., Ltd.		70%	Kobe Steel: 25%, Chuo-Nittochi: 5%	Real estate business
	Chuo-Nittochi Asset Management Co., Ltd.	*	30%	Chuo-Nittochi: 70%	Management and formation of real estate funds
U.S.	GA Telesis, LLC	*	49.2%	ANA Trading: 10%	Provider of commercial aviation products, services, and solutions
	Gateway Engine Leasing, LLC	*	20%	GA Telesis: 40%, ANA Trading: 40%	Aircraft engine leasing
International Business					
China	Dalian Bingshan Group Hua Hui Da Financial Leasing Co., Ltd.	*	40%	Dalian Bingshan Group: 60%	Finance and general leasing
	Suzhou New District Furui Leasing Co., Ltd.	*	15.8%	Suzhou government-affiliated companies: 80.2%	Finance and general leasing
Taiwan	President Tokyo Corporation	*	49%	Uni-President Enterprises Group: 51%	Automobile leasing and general leasing
Thailand	TISCO Tokyo Leasing Co., Ltd.		49%	TISCO Financial Group: 49%	General leasing
	HTC Leasing Co., Ltd.		70%	Hitachi Construction Machinery Group: 30%	Construction machinery finance
Indonesia	PT. Hexa Finance Indonesia	*	20%	ITOCHU Group: 50% Hitachi Construction Machinery Group: 30%	Construction machinery finance
Philippines	BPI Century Tokyo Lease & Finance Corporation		51%	Bank of the Philippine Islands: 49%	General leasing
U.S.	NTT Global Data Centers CH, LLC		80%	NTT DATA: 20%	Data center
	ZAXIS Financial Services Americas, LLC	*	35%	ITOCHU Group: 35% Hitachi Construction Machinery Group: 30%	Construction machinery finance
Environmental Infrastructure					
Japan	Kyocera TCL Solar LLC		81%	Kyocera: 19%	Electricity generation business
	Shunan Power Corporation		60%	Tokuyama: 20% Marubeni Clean Power: 20%	Electricity generation business
	A&Tm Corporation		51%	Tokyo Gas Engineering Solutions Corporation:39% KYOCERA Communication Systems Co., Ltd.: 10%	Maintenance and management of power plant business
Other					
Japan	BOT Lease Co., Ltd.	*	25%	MUFG: 38.9%, The Norinchukin Bank: 25%	General leasing and finance

* Equity-method affiliate

Solutions to your Pursuits

Group companies (Others)

Location	Company Name	Shareholders: TC	Shareholders: Partners	Main Business Operations
Equipment Leasing				
Japan	S.D.L Co., Ltd.	100%		General leasing
	EPC Japan K. K.	100%		Refurbishment of PCs
	Bplats, Inc. *	30.8%		Subscription business
Specialty Financing				
Japan	TC Hotels & Resorts Co., Ltd.	100%		Hotel business and property management
U.S.	TC Skyward Aviation U.S., Inc.	100%		Aviation leasing and finance
	TC Realty Investments Inc.	100%		Real estate investment
	Aviation Capital Group LLC	100%		Aviation leasing and finance
International Business				
China	Tokyo Century Factoring China Corporation	100%		Factoring services
Singapore	Tokyo Century Leasing (Singapore) Pte. Ltd.	100%		General leasing
	Tokyo Century Asia Pte. Ltd.	100%		Investment, shareholding, and ancillary business
Malaysia	Tokyo Century Capital (Malaysia) Sdn. Bhd.	100%		General leasing
Thailand	TC Advanced Solutions Co., Ltd.	59%		Reverse factoring and other services
	TC Car Solutions (Thailand) Co., Ltd.	99%		Auto financing and services
Indonesia	PT. Tokyo Century Research Indonesia	100%		Research
U.S.	CSI Leasing, Inc.	100%		IT equipment leasing
	Tokyo Century (USA) Inc.	100%		General leasing
	AP Equipment Financing (Allegiant Partners Inc.)	100%		Finance and general leasing
Environmental Infrastructure				
Japan	TCLA Godo Kaisha	100%		General leasing

* Equity-method affiliate

Solutions to your Pursuits

Reference Material (4)
Financial Data

In addition to this document, financial information is disclosed in the DATA BOOK (Excel format) available in the IR Library on the Company's website on a quarterly basis.
https://www.tokyocentury.co.jp/en/ir/library/2024.html

Statement of Income

(Billions of yen)

	#	FY2023 Q2 Result	FY2024 Q2 Result	Change	%Change
Revenues	1	685.5	665.9	-19.6	-2.9%
Costs	2	560.0	531.4	-28.6	-5.1%
Funding cost	3	47.0	60.7	13.7	29.1%
Gross profit	4	125.4	134.5	9.0	7.2%
SG&A expenses	5	72.3	78.2	5.8	8.1%
Personnel expenses	6	39.7	45.0	5.2	13.2%
Non-personnel expenses	7	30.7	33.5	2.9	9.3%
Credit costs	8	2.0	-0.3	-2.3	-
Operating income	9	53.1	56.3	3.2	6.0%
Non-operating income and expenses	10	6.1	7.4	1.3	20.8%
Ordinary income	**11**	**59.2**	**63.7**	**4.5**	**7.6%**
Extraordinary income and losses	12	1.7	6.7	5.0	285.7%
Income before income taxes	13	61.0	70.4	9.4	15.5%
Income taxes	14	18.3	20.3	2.0	10.9%
Net income	15	42.6	50.1	7.4	17.4%
Net income attributable to non-controlling interests	16	7.0	6.9	-0.1	-1.2%
Net income attributable to owners of parent	**17**	**35.6**	**43.1**	**7.5**	**21.1%**

Major Factors in Changes

■ Gross profit

Increased mainly due to International Business and Specialty Financing

■ SG&A expenses

Increased mainly due to International Business

■ Net income attributable to owners of parent for Q1–Q2

Increased mainly due to the growth of Specialty Financing and extraordinary income primarily from the sale of cross-held shares

Solutions to your Pursuits

Balance Sheet

(Billions of yen)

	#	Mar. 31, 2024	Sep. 30, 2024	Change	%Change
Total assets	**1**	**6,460.9**	**6,917.9**	**457.0**	**7.1%**
Current assets	2	2,938.9	3,023.2	84.4	2.9%
Non-current assets, etc.	3	3,522.1	3,894.7	372.6	10.6%
Leased assets	4	2,498.8	2,830.9	332.1	13.3%
Leased assets advance payment	5	94.0	116.2	22.3	23.7%
Other operating assets	6	244.9	269.1	24.1	9.9%
Investment securities	7	404.2	417.7	13.5	3.3%
Others	8	280.2	260.8	-19.4	-6.9%
Total liabilities	**9**	**5,449.8**	**5,743.6**	**293.9**	**5.4%**
Current liabilities	10	2,142.1	1,962.7	-179.3	-8.4%
Long-term liabilities	11	3,307.7	3,780.9	473.2	14.3%
Total net assets	**12**	**1,011.2**	**1,174.3**	**163.1**	**16.1%**
Shareholders' equity	13	872.2	1,031.3	159.1	18.2%
Non-controlling interests, etc.	14	138.9	143.0	4.0	2.9%

Major Factors in Changes

- **Non-current assets, etc.**

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

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Interest-Bearing Debt

Balance of Interest-Bearing Debt

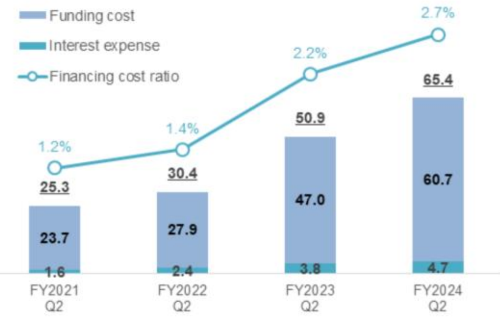
(Billions of yen)

	#	Mar. 31, 2023	Mar. 31, 2024	Sep. 30, 2024	Change	%Change
Interest-bearing debt	1	**4,514.7**	**4,749.0**	**5,068.7**	**319.7**	**6.7%**
Japanese yen	2	2,628.6	2,574.2	2,615.8	41.6	1.6%
Foreign currency	3	1,886.1	2,174.8	2,452.9	278.1	12.8%
Foreign currency %	4	41.8%	45.8%	48.4%	2.6pt	
Commercial papers	5	352.3	343.6	313.8	-29.8	-8.7%
Japanese yen	6	271.7	228.7	230.5	1.8	0.8%
Foreign currency	7	80.6	114.9	83.3	-31.6	-27.5%
Corporate bonds	8	1,052.7	1,219.4	1,359.0	139.6	11.5%
Japanese yen	9	372.6	372.6	352.5	-20.1	-5.4%
Foreign currency	10	680.1	846.8	1,006.5	159.7	18.9%
Securitized lease assets	11	25.8	15.3	14.7	-0.7	-4.3%
Borrowings	12	3,083.9	3,170.7	3,381.3	210.5	6.6%
Japanese yen	13	1,958.5	1,957.6	2,018.2	60.5	3.1%
Foreign currency	14	1,125.4	1,213.1	1,363.1	150.0	12.4%
Direct funding ratio	15	31.7%	33.2%	33.3%	0.1pt	
Long-term funding ratio	16	85.7%	83.9%	86.4%	2.5pt	

	#	FY2022 Q2 Result	FY2023 Q2 Result	FY2024 Q2 Result	Change	%Change
Funding cost	17	27.9	47.0	60.7	13.7	29.1%
Interest expense	18	2.4	3.8	4.7	0.8	21.5%
Financing cost (Funding cost + Interest expense)	19	30.4	50.9	65.4	14.5	28.5%
Financing cost ratio	20	**1.4%**	**2.2%**	**2.7%**	**0.4pt**	

Financing Cost Ratio[*1,2]

(Billions of yen)



*1 Of costs and expenses required for financing, those pertaining to operating transactions are recorded as funding cost, and expenses related to non-operating transactions are recorded as interest expense under non-operating expenses.
*2 Financing cost ratio = Financing cost (Funding cost + Interest expense) / { (Interest-bearing debt as of the previous fiscal year-end + Interest-bearing debt as of the end of this period) / 2 }

(Change of financing cost by fiscal year)

	#	FY2022 Result	FY2023 Result	Change	%Change
Funding cost	21	67.7	101.9	34.3	50.6%
Interest expense	22	5.9	7.9	1.9	32.1%
Financing cost (Funding cost + Interest expense)	23	73.6	109.8	36.2	49.1%
Financing cost ratio	24	**1.7%**	**2.4%**	**0.7pt**	

Balance of Segment Assets and Transaction Volume in Automobility

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

(Billions of yen)

	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Sep. 30, 2024	Change
Balance of segment assets	**629.5**	**611.8**	**611.6**	**479.0**	**482.6**	**3.6**
Nippon Car Solutions (NCS)	371.2	359.3	348.3	360.5	361.1	0.6
Percentage	58.9%	58.7%	57.0%	75.2%	74.7%	
Nippon Rent-A-Car Service (NRS)	45.7	40.3	44.7	44.0	42.7	-1.3
Percentage	7.3%	6.6%	7.3%	9.2%	8.9%	
Orico Auto Leasing (OAL)	214.0	211.7	216.5	72.2	76.5	4.3
Percentage	34.0%	34.6%	35.4%	15.1%	15.9%	
Other*1	-1.4	0.5	2.1	2.3	2.3	-0.0
Percentage	-0.2%	0.1%	0.3%	0.5%	0.5%	

*1 Adjusted intercompany transactions in Automobility

(Billions of yen)

	FY2020 Result	FY2021 Result	FY2022 Result	FY2023 Result	FY2023 Q2 Result	FY2024 Q2 Result	YoY Change	% Change
NCS Transaction volume*2	120.5	109.4	105.1	131.1	66.2	61.8	-4.4	-6.6%

*2 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.

Solutions to your Pursuits

Quarterly Changes in Results by Subsidiary and Affiliate in Automobility

NCS and NRS performed well and income hit a record high for Q1–Q2

		FY 2023						FY 2024				
		Q1	Q2	Q3	Q4	Total (Q1-Q2)	Total (Annual)	Q1	Q2	Total (Q1-Q2)	Change (YoY)	Change (YTD)
Revenues (Billions of yen)*3	NCS	54.3	50.9	49.7	48.2	105.2	203.0	55.7	53.2	109.0	3.8	
	NRS*1	22.9	20.0	23.8	27.0	42.9	93.8	24.2	21.9	46.1	3.2	
	OAL*2	22.3	22.8	-	-	45.1	45.1	-	-	-	-45.1	
	Total	**99.5**	**93.7**	**73.5**	**75.2**	**193.2**	**341.9**	**79.9**	**75.2**	**155.1**	**-38.1**	
Ordinary income (Billions of yen)	NCS	6.9	4.9	2.7	2.1	11.8	16.6	7.5	5.7	13.2	1.4	
	NRS	4.4	2.6	5.4	2.0	7.1	14.4	5.0	3.4	8.4	1.3	
	OAL	0.6	0.5	0.2	0.4	1.1	1.6	0.1	0.1	0.2	-0.8	
	Other	-0.1	-0.0	-0.1	0.0	-0.1	-0.1	-0.1	-0.2	-0.3	-0.2	
	Total	**11.9**	**8.0**	**8.2**	**4.5**	**19.9**	**32.5**	**12.5**	**9.1**	**21.6**	**1.7**	
Balance of segment assets (Billions of yen)	NCS	346.3	351.3	355.9	360.5			358.4	361.1		9.8	0.6
	NRS	44.7	44.5	53.7	44.0			43.5	42.7		-1.7	-1.3
	OAL	222.1	68.6	70.8	72.2			73.5	76.5		8.0	4.3
	Other*4	1.9	1.8	1.9	2.3			2.3	2.3		0.4	-0.0
	Total	**615.1**	**466.1**	**482.3**	**479.0**			**477.7**	**482.6**		**16.5**	**3.6**
Number of vehicles (Thousand)	NCS	687	688	690	690			692	692		4	3
	NRS	46	51	46	45			46	51		-1	6
	OAL*5	180	182	183	184			184	185		4	2
	Duplication adjustment	-184	-185	-187	-187			-188	-189		-3	-1
	Total	**729**	**736**	**732**	**731**			**734**	**740**		**4**	**9**

*1 Fiscal period of NRS ends in December
*2 OAL transitioned from a consolidated subsidiary to an equity-method affiliate at the end of the second quarter of fiscal 2023
*3 Revenues = Simple sum of three companies
*4 Adjusted intercompany transactions in Automobility
*5 OAL, an equity-method affiliate, reports the total number of vehicles it owns

Solutions to your Pursuits

Balance of Segment Assets in Specialty Financing

Segment assets increased ¥380.3 billion from the end of the previous fiscal year mainly due to an increase in aviation, in addition to the impact of exchange rate fluctuations

(Billions of yen)

		Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Sep. 30, 2024	Change
Balance of segment assets		**2,034.4**	**2,152.5**	**2,490.6**	**2,825.3**	**3,205.6**	**380.3** +259.1*2
Aviation		1,363.1	1,480.8	1,737.6	1,935.9	2,236.6	300.7 +239.7*2
	Percentage	67.0%	68.9%	69.8%	68.5%	69.7%	
Shipping		116.4	100.0	93.3	86.9	92.8	5.9 -0.6*2
	Percentage	5.7%	4.6%	3.7%	3.1%	2.9%	
Real Estate		462.3	484.7	559.9	675.5	746.1	70.6 +20.0*2
	Percentage	22.7%	22.5%	22.5%	23.9%	23.3%	
Principal Investment and Others *1		92.6	87.0	99.8	127.0	130.2	3.2 +0.1*2
	Percentage	4.6%	4.0%	4.0%	4.5%	4.1%	

*1 Principal investment and others include the principal investment amounts, factoring and others
*2 Exchange rate factors

Solutions to your Pursuits

Balance of Segment Assets in International Business

Segment assets increased ¥122.2 billion from the end of the previous fiscal year due to increases in the USA and Europe, in addition to the impact of exchange rate fluctuations

(Billions of yen)

	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2023	Mar. 31, 2024	Sep. 30, 2024	Change
Balance of segment assets	483.1	557.1	655.7	822.7	944.9	122.2 +82.1*
Total of Asia	215.5	227.3	221.0	234.1	258.3	24.1 +13.5*
percentage	44.6%	40.8%	33.7%	28.5%	27.3%	
ASEAN	196.9	212.2	210.2	225.7	250.1	24.4 +13.0*
percentage	40.7%	38.1%	32.1%	27.4%	26.5%	
East Asia	18.7	15.1	10.8	8.4	8.2	-0.2 +0.5*
percentage	3.9%	2.7%	1.6%	1.1%	0.8%	
USA and Europe	267.6	329.8	434.6	588.6	686.6	98.1 +68.6*
percentage	55.4%	59.2%	66.3%	71.5%	72.7%	
excl. CSI non-recourse loan	335.9	389.4	440.5	553.6	645.8	92.3

* Exchange rate factors

Solutions to your Pursuits

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

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