

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, 2025 [Japan GAAP]

May 14, 2025

Name of Listed Company: Tokyo Century Corporation

Stock Exchange Listing: Tokyo

Securities Code: 8439

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

Representative: Koji Fujiwara, 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 23, 2025

Scheduled Payment Date of Dividends: June 24, 2025

Scheduled Reportable Date of Securities Report: June 20, 2025

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 2023	Fiscal 2024	YoY
	<i>(Millions of yen)</i>		<i>(Percentage change)</i>
(1) Consolidated business results:			
Revenues	1,346,113	1,368,635	1.7%
Operating income	104,225	117,060	12.3%
Ordinary income	117,303	132,272	12.8%
Net income attributable to owners of parent	72,136	85,279	18.2%
Basic earnings per share (<i>Yen</i>)	147.32	174.51	
Diluted earnings per share (<i>Yen</i>)	146.75	173.77	
Rate of return on equity (ROE)	8.8%	9.0%	
Return on assets (ROA)	1.9%	2.0%	
Operating income to revenues	7.7%	8.6%	
(2) Consolidated financial condition:			
Total assets	6,460,930	6,862,861	
Net assets	1,011,176	1,176,889	
Shareholders' equity ratio	13.5%	15.0%	
Net assets per share (<i>Yen</i>)	1,781.32	2,110.36	
(3) Consolidated cash flows:			
Cash flows from operating activities	(176,742)	51,371	
Cash flows from investing activities	(108,497)	(31,466)	
Cash flows from financing activities	261,897	(43,381)	
Cash and cash equivalents at end of year	183,925	168,797	

Notes:

Total comprehensive income

Fiscal 2024 ended March 31, 2025: ¥197,459 million 36.1%

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

Equity in earnings of affiliates

Fiscal 2024 ended March 31, 2025: ¥18,651 million

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

Shareholders' equity

Fiscal 2024 ended March 31, 2025: ¥1,029,614 million

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

The Company conducted a 4-for-1 stock split of its common shares effective January 1, 2024. 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. Dividends

	Dividends per Share (Yen)				Total	Total Dividends (Millions of yen)	Payout Ratio (Consolidated)	Dividend on Net Assets Ratio (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year-End				
Fiscal 2023	—	25.00	—	27.00	52.00	25,462	35.3%	3.1%
Fiscal 2024	—	29.00	—	33.00	62.00	30,363	35.5%	3.2%
Fiscal 2025 (Forecast)	—	34.00	—	34.00	68.00		35.7%	

The Company conducted a 4-for-1 stock split of its common shares effective January 1, 2024. The annual dividends per share have 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, 2026 (As of May 14, 2025)

	Full Year	YoY
	(Millions of yen)	(Percentage change)
Net income attributable to owners of parent	93,000	9.1%
Basic earnings per share (Yen)	190.62	

Notes

(1) Significant changes in the scope of consolidation during the period: None

(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 18 of this document.

(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, 2024: 492,113,280 shares

As of March 31, 2025: 492,113,280 shares

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

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

As of March 31, 2025: 4,227,504 shares

3) Average number of shares outstanding during the period

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

Fiscal year ended March 31, 2025: 488,675,515 shares

Note:

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

The Company introduced the BBT-RS (Board Benefit Trust-Restricted Stock). The number of shares of treasury stock at the end of the period includes the Company shares held by the trust for the BBT-RS plan (1,850,700 shares as of March 31, 2025). In addition, the number of shares of treasury stock deducted in the calculation of the average number of shares outstanding during the period includes the Company shares held by the trust for the BBT-RS plan (1,061,144 shares as of March 31, 2025).

(Reference: Outline of non-consolidated business results)

1. Non-consolidated Performance

	Fiscal 2023	Fiscal 2024	YoY
	<i>(Millions of yen)</i>		<i>(Percentage change)</i>
(1) Non-consolidated business results:			
Revenues	366,918	375,424	2.3%
Operating income	13,934	16,579	19.0%
Ordinary income	34,308	36,022	5.0%
Net income	32,551	36,752	12.9%
Basic earnings per share <i>(Yen)</i>	66.48	75.21	
Diluted earnings per share <i>(Yen)</i>	66.22	74.89	
(2) Non-consolidated financial condition:			
Total assets	3,039,340	3,072,782	
Net assets	421,732	422,053	
Shareholders' equity ratio	13.8%	13.7%	
Net assets per share <i>(Yen)</i>	856.71	859.86	

Notes:

Shareholders' equity

Fiscal 2024 ended March 31, 2025: ¥419,512 million

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

The Company conducted a 4-for-1 stock split of its common shares effective January 1, 2024. 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.

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 on Friday, May 16, 2025.

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

(a) Overview of the fiscal year under review

During the fiscal year ended March 31, 2025 (the “fiscal year under review”), the Japanese economy showed a moderate recovery trend, supported by robust corporate earnings, capital investment, a rebound in personal consumption driven by substantial wage increases, and strong inbound demand. However, constraints such as accelerating yen depreciation, rising prices, labor shortages, and geopolitical risks became increasingly evident, and the outlook remains unpredictable. In addition, the economic policies of the Trump administration inaugurated in January have further contributed to an increasingly uncertain economic environment.

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.

As a result, for the fiscal year under review, revenues increased ¥22,500 million, or 1.7%, to ¥1,368,600 million, and gross profit increased ¥27,000 million, or 10.7%, to ¥280,200 million, mainly due to increased income in the Specialty Financing and International Business segments.

Selling, general and administrative expenses increased ¥14,200 million, or 9.5%, to ¥163,200 million, mainly due to increases in personnel and non-personnel expenses in the International Business segment.

Non-operating income minus non-operating expenses amounted to a net income of ¥15,200 million, up ¥2,100 million, or 16.3%, from the previous fiscal year, mainly due to increases in foreign exchange gains and dividend income.

Due to the factors mentioned above, ordinary income increased ¥15,000 million, or 12.8%, to ¥132,300 million from the previous fiscal year.

Extraordinary income minus extraordinary losses amounted to a net income of ¥13,100 million, up ¥12,400 million from the previous fiscal year, mainly due to gains on sale of investment securities.

Income taxes increased ¥15,200 million, or 42.7%, to ¥50,600 million, and net income attributable to non-controlling interests decreased ¥900 million, or 8.6%, to ¥9,500 million, respectively, from the previous fiscal year.

As a result, net income attributable to owners of parent increased ¥13,100 million, or 18.2%, to ¥85,300 million from the previous fiscal year.

The average exchange rate during the period for the preparation of consolidated financial statements for the major overseas subsidiaries and affiliates closing accounts in December is ¥151.68/US\$ for the fiscal year ended December 31, 2024 (January to December 2024), compared to ¥140.67/US\$ for the previous fiscal year (January to December 2023).

(b) Status of business

(Strengthening of sales base)

[Equipment Leasing]

- The Company and OMRON FIELD ENGINEERING CO., LTD. jointly launched the “FIT Power Purchase Guarantee Service” for power producers operating high-voltage solar power plants under the Feed-in Tariff (FIT) scheme. This service enables power producers to transition to the Feed-in Premium (FIP) scheme and install battery storage systems at no initial or recurring cost, guaranteeing FIT-equivalent revenue by offsetting losses due to output curtailment. The service also includes power transaction agency functions, allowing smooth FIP operations with minimal burden for producers. Through this initiative, we aim to solve issues faced by power producers dealing with lost sales and contribute to the realization of a sustainable circular society and carbon neutrality.
- The Company, Fujitsu Limited, and FLCS Co., Ltd., a consolidated subsidiary jointly funded by both companies, launched the “Modernization Finance Service” to support enterprises and organizations in promoting IT modernization. The service helps address financial and other challenges related to modernization by offering solutions such as leveling upfront system costs, avoiding dual payments for old and new systems, streamlining contract management through single-point contact, and reducing legacy system costs. Building on existing collaboration in digital fields, the three companies will accelerate customers’ modernization and contribute to the realization of digital transformation (DX).

[Automobility]

- NIPPON Rent-A-Car Service, Inc., a consolidated subsidiary of the Company, achieved earnings surpassing the previous fiscal year’s record high. This was driven by price revisions, strong inbound demand, gains on sale of vehicles, and cost control through efficient operations. Customer service enhancements also progressed, including relocation or renovation of approximately 200 branches (about one-third of all locations) since the

previous fiscal year, launch of a mobile-app-based check-in service eliminating the need for counter procedures, and expansion of the self-service car rental fleet. As a pioneer in the rental car industry, the company continues to pursue diverse initiatives to further increase earnings.

- The Company and NIPPON CAR SOLUTIONS CO., LTD., a consolidated subsidiary, entered into a business alliance with GO Inc. (hereinafter, “GO”) to promote the use of electric vehicles (hereinafter, “EVs”) in corporate auto leasing and expand optimized EV charging infrastructure. Under this alliance, the Group investigates charging-related challenges and operating conditions faced by customers, while GO provides the charging infrastructure and the “GO Charge (Note 1)” EV charging service tailored to those needs. This collaboration aims to advance EV adoption in corporate leasing and contribute to a decarbonized society.

(Note 1) A service that allows users to search for, reserve, and pay for EV fast-charging spots in urban areas through a single online platform

[Specialty Financing]

- The Company and TC Realty SG Pte. Ltd., a consolidated subsidiary of the Company, decided to jointly develop “Hotel Indigo Changi Airport” (hereinafter, the “Hotel”), which is directly connected to Terminal 2 of Changi Airport in Singapore, with OUE Limited, a prominent real estate and healthcare company based in Singapore and other parts of Asia. As the Company’s first hotel to be operated overseas, the Hotel will feature 255 rooms and offer an airport-specific lodging experience through innovative design, a rooftop pool and gym, and panoramic views of the runways. It will also incorporate environmentally conscious features such as solar panels, a hybrid cooling system, naturally ventilated corridors, and rainwater harvesting systems, aiming to reduce environmental impact while enhancing guest comfort and well-being.
- Through its consolidated subsidiary TC Investment Partners Co., Ltd., the Company invested in Sustainable Battery Holdings Inc., the parent company of AP78 Co., Ltd. (hereinafter, the “Tender Offeror”), together with a fund managed by Advantage Partners Pte. Ltd. (hereinafter, “AP”) and Furukawa Electric Co., Ltd. (hereinafter, “Furukawa Electric”). The Company agreed with AP, Furukawa Electric, and The Furukawa Battery Co., Ltd. (hereinafter, “Furukawa Battery”) that the Tender Offeror would acquire all outstanding common shares of Furukawa Battery through a tender offer and related transactions (hereinafter, the “Transaction”). Under the Medium-Term Management Plan 2027, the Company has identified the “decarbonization,” “social infrastructure,” and “circular economy” domains as strategic focus areas. Through this Transaction, the Company will strengthen synergies between the battery business and its existing operations, provide high-value-added financial and service solutions, and also work to develop and nurture new businesses, thereby contributing to infrastructure development and the realization of an environmentally conscious circular economy.

[International Business]

- BPI Century Tokyo Lease & Finance Corporation (hereinafter, “BPICT”), a consolidated subsidiary of the Company, through its subsidiary BPI Century Rental Corporation (hereinafter, “BPITCR”), acquired all shares of Brilliant Car Rental Corporation, a new company established through the transfer of business from Diamond IGB Inc. (hereinafter, “Diamond”), an independent auto leasing company in the Republic of the Philippines, and two of its group companies. BPITCR provides operating leases mainly for automobiles across the Philippines. By adding Diamond’s short-term rental and vehicle management services, BPITCR can now deliver high-quality automotive services on a one-stop basis. Leveraging the financial expertise and network of the Bank of the Philippine Islands, BPICT’s joint venture partner, the Company aims to enhance and expand its auto business while contributing to infrastructure development in the Philippines.
- CSI Leasing, Inc., a consolidated subsidiary of the Company, through its Brazilian subsidiary CSI Remarketing Locação de Equipamentos Ltda. (hereinafter, “CSI Brazil”), acquired all shares of Somov Rental Ltda. (hereinafter, “Somov”), a Brazilian company engaged in forklift rentals with included maintenance service. Somov has robust logistics and refurbishment capabilities as well as high operational skills through technicians stationed at customer sites. CSI Brazil will newly expand into forklift rentals, a business highly compatible with leasing, and aims to increase earnings in Brazil, a large and growing economy.

[Environmental Infrastructure]

- The Company invested in a solar power project in Italy (hereinafter, the “Project”) developed and constructed by Capital Dynamics, an asset manager that owns and operates over 2 GW of clean power generation assets primarily in the United Kingdom, Italy, and Spain. The Project involves acquiring development rights for two solar power plants located in Palermo and Trapani, Sicily, with a planned capacity of 188.8 MW (hereinafter, the “Power Plants”). As part of its Medium-Term Management Plan 2027 growth strategy, the Company is focused on expanding overseas renewable energy businesses. With expectations for growing demand for renewables in Italy, particularly among IT companies, the Company decided to invest in the Project. Going forward, the Company will continue to expand renewable energy operations primarily in Europe and North America in collaboration with experienced business partners.
- The Company entered into a capital and business alliance agreement with TESS Holdings Co., Ltd. (hereinafter, “TESS Holdings”) to collaborate on the development of renewable energy (hereinafter, “RE”) projects. In working towards the realization of carbon neutrality in Japan by 2050, demand is expected to remain robust

for storage systems and RE and energy-saving solutions, driven by the expansion of the decarbonization market. TESS Holdings offers advanced technical capabilities in RE and storage facility development, along with EPC (Note 1) and O&M (Note 2) services. Combined with the Company's broad customer base and experience and know-how as an operator of RE and storage facilities, this partnership aims to achieve further growth in the RE and energy-saving sectors.

(Note 1) Engineering, Procurement, and Construction.

(Note 2) Operation and Maintenance, essential services that ensure the safe and long-term operation of power generation storage facilities.

(Strengthening of management base)

- The Company conducted an early redemption on the first optional redemption date of its second series of unsecured subordinated bonds with interest payment deferral and early redemption clauses, issued on July 30, 2020. In conjunction with this, the Company procured funding through a new issuance of its fourth series of unsecured subordinated bonds with interest payment deferral and early redemption clauses, as well as through a subordinated loan with subordination provisions (hereinafter, the "Financing"). This Financing constitutes a form of hybrid finance that combines characteristics of both equity and debt. As it is debt, it does not result in equity dilution, while it also has equity-like features and attributes such as optional interest deferral, an extremely long maturity, and subordination in liquidation and bankruptcy proceedings. This Financing has been recognized as having equity characteristics by multiple rating agencies. It is expected to enhance the funding capabilities and reduce the funding costs not only of the Company, but also of the entire Tokyo Century Group.
- The Company was selected as a "Noteworthy DX Company 2024" under the Digital Transformation Stock (DX Stock) program, jointly conducted by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency, Japan. Under its Medium-Term Management Plan 2027, the Company has set Digital Transformation (DX) as one of its core management policies. Last year, the Company successfully completed a core system renewal project for its leasing operations, which serves as the starting point for DX promotion. Going forward, the Company will continue to transform itself into an organization that consistently creates value by providing financial and service solutions that leverage digital technologies and various data for its customers, while fostering proactive productivity improvements by every employee.
- The Company received a "Gold" rating, the highest rating, under the PRIDE Index 2024, an evaluation index for LGBTQ+ and other sexual minority initiatives in the workplace, formulated by work with Pride, a general incorporated association. This marks an upgrade from the "Silver" rating it received over the past two years. Under its Medium-Term Management Plan 2027, the Company has positioned Human Resource and Organizational Transformation (HRX) as a key management policy, and is advancing the hiring, development, and promotion of diverse human resources, regardless of race, religion, gender, age, sexual orientation, disability, or nationality, based on its Basic Policy on Diversity. Last year, the Company expanded eligibility for internal systems previously limited to legal spouses to include de facto marriage partners. The Company continues working to create an environment where all individuals can fully demonstrate their abilities while respecting each other, and is committed to realizing Diversity, Equity, and Inclusion (DE&I).

(c) Overview of business results by segment

Business results by segment were as follows.

Revenues for each segment represent "revenues from customers," and segment income represents the amount for the "reportable segment."

[Equipment Leasing]

Revenues decreased ¥9,500 million, or 2.1%, to ¥449,100 million, and segment income decreased ¥1,300 million, or 5.5%, to ¥22,800 million, respectively, from the previous fiscal year. The decrease in segment income was mainly due to one-time losses, higher SG&A expenses, and the impact of exchange rates on NTT TC Leasing Co., Ltd. The balance of segment assets increased ¥1,400 million, or 0.1%, to ¥1,275,000 million from the end of the previous fiscal year.

[Automobility]

Revenues decreased ¥36,400 million, or 10.8%, to ¥300,700 million, and segment income increased ¥1,000 million, or 6.2%, to ¥17,700 million, respectively, from the previous fiscal year. The increase in segment income was mainly due to an increase in gains on sale of vehicles whose leases terminated and increased profitability resulting from the rise in car rental prices per unit. The balance of segment assets increased ¥21,800 million, or 4.5%, to ¥500,800 million from the end of the previous fiscal year.

[Specialty Financing]

Revenues increased ¥22,300 million, or 7.2%, to ¥334,500 million, and segment income increased ¥2,900 million, or 9.7%, to ¥32,900 million, respectively, from the previous fiscal year. The increase in segment income was mainly due to the growth of real estate business, and higher gains on sales of principal investment business. The balance of segment assets increased ¥147,700 million, or 5.2%, to ¥2,972,900 million from the end of the previous fiscal year.

[International Business]

Revenues increased ¥45,300 million, or 25.5%, to ¥222,700 million, and segment income increased ¥5,400 million, or 48.9%, to ¥16,300 million, respectively, from the previous fiscal year, mainly due to an increase in gain on sale of investment securities and foreign exchange gains. The balance of segment assets increased ¥154,500 million, or 18.8%, to ¥977,200 million from the end of the previous fiscal year, mainly due to an increase in investments in data center businesses.

[Environmental Infrastructure]

Revenues increased ¥1,200 million, or 2.0%, to ¥60,800 million, and segment income decreased ¥1,800 million, or 95.7%, to ¥100 million, respectively, from the previous fiscal year. The decrease in segment income was mainly due to a significant decrease in income from biomass co-firing power generation business, and the increased funding cost of new overseas investment projects. The balance of segment assets increased ¥11,300 million, or 4.1%, to ¥285,200 million from the end of the previous fiscal year.

Segment Income

(Billions of yen)

Classification		Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025	Change	
				Amount	%
Reportable Segment	Equipment Leasing	24.2	22.8	(1.3)	(5.5)
	Automobility	16.7	17.7	1.0	6.2
	Specialty Financing	30.0	32.9	2.9	9.7
	International Business	11.0	16.3	5.4	48.9
	Environmental Infrastructure	1.9	0.1	(1.8)	(95.7)
	Total for Reportable Segments	83.6	89.8	6.1	7.3
Other, Adjustment		(11.5)	(4.5)	7.0	–
Amount Recorded in Consolidated Statements of Income		72.1	85.3	13.1	18.2

Balance of Segment Assets

(Billions of yen)

Classification		As of March 31, 2024	As of March 31, 2025	Change	
				Amount	%
Reportable Segment	Equipment Leasing	1,273.5	1,275.0	1.4	0.1
	Automobility	479.0	500.8	21.8	4.5
	Specialty Financing	2,825.3	2,972.9	147.7	5.2
	International Business	822.7	977.2	154.5	18.8
	Environmental Infrastructure	273.9	285.2	11.3	4.1
	Total for Reportable Segments	5,674.4	6,011.0	336.6	5.9
Other		46.0	48.8	2.8	6.1
Total of Segment Assets		5,720.4	6,059.9	339.4	5.9

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

Total assets at the end of the fiscal year under review increased ¥401,900 million, or 6.2%, to ¥6,862,900 million from the end of the previous consolidated fiscal year. Segment assets increased ¥339,400 million, or 5.9%, to ¥6,059,900 million from the end of the previous consolidated fiscal year, mainly due to foreign exchange fluctuations.

Total liabilities increased ¥236,200 million, or 4.3%, to ¥5,686,000 million from the end of the previous consolidated fiscal year. Interest-bearing debts increased ¥163,600 million, or 3.4%, to ¥4,912,600 million.

Total net assets increased ¥165,700 million, or 16.4%, to ¥1,176,900 million from the end of the previous consolidated fiscal year, mainly due to an increase in translation adjustments of ¥106,200 million and an increase in retained earnings of ¥57,900 million.

As a result, the shareholders' equity ratio increased 1.5 percentage points compared with the end of the previous consolidated fiscal year to 15.0%.

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 ¥158.17/US\$ at the end of the fiscal year ended December 31, 2024 (December 31, 2024), and ¥141.82/US\$ at the end of the previous consolidated fiscal year (December 31, 2023).

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

Net cash provided by operating activities amounted to ¥51,400 million, mainly due to the recording of income before income taxes as well as increased gains on sales of aircraft. Net cash used in investing activities amounted to ¥31,500 million, mainly due to the acquisition of equity-method affiliates. Net cash used in financing activities amounted to ¥43,400 million, mainly due to dividend payments. Due to the factors mentioned above, cash and cash equivalents at the end of the consolidated fiscal year under review decreased ¥15,100 million to ¥168,800 million from the end of the previous consolidated fiscal year.

(4) Future Outlook

While Japan's economy is expected to maintain stable growth centered on domestic demand supported by factors such as the recovery of real wages, the global economic outlook remains uncertain due to issues such as trade policies of each country and their impacts in response to Trump administration's tariff policies and the volatility risks of exchange rate, resource prices and interest rate.

In this economic environment, our consolidated results forecast for the fiscal year ending March 31, 2026 is ¥93,000 million of net income attributable to owners of parent (up 9.1% 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, 2025, we initially forecasted to pay an annual dividend of ¥58 per share (interim dividend of ¥29, year-end dividend of ¥29). The interim dividend was ¥29 per share as forecasted. As for the year-end dividend, we plan to increase it by ¥4 per share from the initial forecast to ¥33 per share. As a result, the annual dividend per share will be ¥62 (interim dividend of ¥29, year-end dividend of ¥33).

For the fiscal year ending March 31, 2026, we intend to pay an annual dividend of ¥68 per share (interim dividend of ¥34 and year-end dividend of ¥34 with a payout ratio of 35.7%) in accordance with our basic policy of stably distributing profits to shareholders over the long term.

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, 2024	As of March 31, 2025
Assets		
Current assets		
Cash on hand and in banks	193,859	177,364
Accounts receivable - installment sales	167,071	186,858
Lease receivables and investment assets	1,391,310	1,488,603
Loans	435,091	409,423
Operational investment securities	407,050	420,892
Accounts receivable - leases	63,886	72,474
Short-term investment securities	809	100
Inventories	36,712	33,983
Other current assets	246,947	289,643
Allowance for doubtful accounts	(3,859)	(3,285)
Total current assets	2,938,879	3,076,059
Non-current assets		
Property and equipment		
Leased assets	2,496,294	2,638,974
Advances for purchases of property for lease	93,965	125,291
Other operating assets	244,938	273,873
Construction in progress	33,230	28,612
Own assets in use	27,552	32,479
Total property and equipment	2,895,981	3,099,230
Intangible assets		
Computer programs leased to customers	2,525	2,466
Goodwill	72,924	71,912
Other intangible assets	39,638	50,569
Total intangible assets	115,088	124,948
Investments and other assets		
Investments in securities	404,150	451,367
Claims provable in bankruptcy or rehabilitation	7,627	3,259
Deferred tax assets	24,170	17,952
Retirement benefit asset	270	286
Other investments	77,641	91,096
Allowance for doubtful accounts	(4,790)	(3,184)
Total investments and other assets	509,069	560,777
Total non-current assets	3,520,140	3,784,956
Deferred assets	1,911	1,845
Total assets	6,460,930	6,862,861

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	216,852	226,580
Short-term borrowings	412,825	358,785
Current portion of bonds	240,695	155,113
Current portion of long-term debt	732,254	713,229
Commercial papers	343,609	210,600
Payables under fluidity lease receivables	9,000	10,600
Current portion of long-term payables under fluidity lease receivables	2,460	2,400
Lease obligations	9,560	10,192
Accrued income taxes	12,047	16,169
Deferred profit on installment sales	15,463	19,688
Provision for bonuses	4,042	4,592
Provision for bonuses for directors (and other officers)	470	538
Provision for share awards for directors (and other officers)	-	164
Other provisions	237	1,313
Other current liabilities	142,564	151,093
Total current liabilities	2,142,083	1,881,062
Long-term liabilities		
Bonds payable	978,673	1,092,441
Long-term debt	2,025,626	2,367,941
Long-term payables under fluidity lease receivables	3,850	1,450
Lease obligations	20,320	24,879
Deferred tax liabilities	56,200	72,483
Provision for retirement benefits for directors (and other officers)	346	356
Provision for share awards for directors (and other officers)	-	70
Provision for automobile inspection costs	717	702
Other provisions	659	307
Net defined benefit liability	11,381	11,318
Other long-term liabilities	209,895	232,958
Total long-term liabilities	3,307,671	3,804,909
Total liabilities	5,449,754	5,685,971
Net assets		
Shareholders' equity		
Common stock without par value	81,129	81,129
Capital surplus	56,199	56,247
Retained earnings	524,903	582,759
Treasury stock	(1,599)	(4,625)
Total shareholders' equity	660,631	715,510
Accumulated other comprehensive income		
Net unrealized holding gains on securities	37,994	34,345
Deferred gains or losses on hedges	9,839	9,248
Translation adjustments	163,105	269,269
Remeasurements of defined benefit plans	658	1,240
Total accumulated other comprehensive income	211,598	314,104
Share subscription rights	2,240	2,540
Non-controlling interests	136,704	144,734
Total net assets	1,011,176	1,176,889
Total liabilities and net assets	6,460,930	6,862,861

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

Consolidated Statements of Income
(For the years ended March 31, 2024 and 2025)

(Millions of yen)

	Fiscal 2023	Fiscal 2024
Revenues	1,346,113	1,368,635
Costs	1,092,925	1,088,408
Gross profit	253,187	280,226
Selling, general and administrative expenses	148,961	163,166
Operating income	104,225	117,060
Non-operating income		
Interest income	594	1,027
Dividend income	1,442	2,331
Equity in earnings of affiliates	17,802	18,651
Foreign exchange gains	615	2,366
Other	1,201	1,118
Total non-operating income	21,655	25,496
Non-operating expenses		
Interest expense	7,851	9,681
Other	726	602
Total non-operating expenses	8,578	10,284
Ordinary income	117,303	132,272
Extraordinary income		
Gain on sale of investment securities	760	10,102
Gain on liquidation of subsidiaries	–	*1 2,633
Gain on sale of shares of subsidiaries and associates	–	1,603
Gain on sale of shares of subsidiaries	1,046	–
Other	322	168
Total extraordinary income	2,129	14,507
Extraordinary losses		
Loss on valuation of investment securities	952	865
Loss on disposal of non-current assets	186	215
Other	293	286
Total extraordinary losses	1,432	1,367
Income before income taxes	118,000	145,413
Income taxes - current	25,411	28,896
Income taxes - deferred	10,065	21,745
Total income taxes	35,476	50,641
Net income	82,523	94,771
Net income attributable to non-controlling interests	10,386	9,492
Net income attributable to owners of parent	72,136	85,279

Consolidated Statements of Comprehensive Income
(For the years ended March 31, 2024 and 2025)

(Millions of yen)

	Fiscal 2023	Fiscal 2024
Net income	82,523	94,771
Other comprehensive income		
Net unrealized holding gains on securities	16,538	(2,902)
Deferred gains or losses on hedges	2,383	(1,277)
Translation adjustments	36,670	103,892
Remeasurements of defined benefit plans	740	125
Share of other comprehensive income of affiliates accounted for using equity method	6,202	2,850
Total other comprehensive income	62,535	102,688
Comprehensive income	145,059	197,459
Comprehensive income attributable to:		
Owners of parent	132,351	187,784
Non-controlling interests	12,708	9,675

(3) Consolidated Statements of Changes in Net Assets

(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	Deferred gains or losses on hedges	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

(For the year ended March 31, 2025)

(Millions of yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	81,129	56,199	524,903	(1,599)	660,631
Cumulative effects of changes in accounting policies					—
Restated balance	81,129	56,199	524,903	(1,599)	660,631
Changes of items during the period					
Cash dividends			(27,423)		(27,423)
Net income attributable to owners of parent			85,279		85,279
Purchase of treasury stock				(3,079)	(3,079)
Disposal of treasury stock		48		53	101
Change in scope of consolidation					—
Purchase of shares of consolidated subsidiaries					—
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	48	57,856	(3,025)	54,878
Balance at end of year	81,129	56,247	582,759	(4,625)	715,510

	Accumulated other comprehensive income					Share subscription rights	Non-controlling interests	Total net assets
	Net unrealized holding gains on securities	Deferred gains or losses on hedges	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	37,994	9,839	163,105	658	211,598	2,240	136,704	1,011,176
Cumulative effects of changes in accounting policies								—
Restated balance	37,994	9,839	163,105	658	211,598	2,240	136,704	1,011,176
Changes of items during the period								
Cash dividends								(27,423)
Net income attributable to owners of parent								85,279
Purchase of treasury stock								(3,079)
Disposal of treasury stock								101
Change in scope of consolidation								—
Purchase of shares of consolidated subsidiaries								—
Net changes of items other than shareholders' equity	(3,649)	(591)	106,163	581	102,505	300	8,029	110,834
Total changes of items during the period	(3,649)	(591)	106,163	581	102,505	300	8,029	165,713
Balance at end of year	34,345	9,248	269,269	1,240	314,104	2,540	144,734	1,176,889

(4) Consolidated Statements of Cash Flows
(For the years ended March 31, 2024 and 2025)

(Millions of yen)

	Fiscal 2023	Fiscal 2024
Cash flows from operating activities		
Income before income taxes	118,000	145,413
Depreciation and amortization of leased assets	218,396	234,551
Loss on disposal of leased assets	111,980	320,960
Impairment loss	3,148	2,268
Depreciation of other operating assets, and cost of other operating assets sales	11,503	14,255
Depreciation of own-used assets, and loss on sales and retirement of own-used assets	12,777	12,484
Amortization of goodwill	4,060	4,923
Foreign exchange losses (gains)	(615)	(2,366)
Increase (decrease) in allowance for doubtful accounts	(6,165)	(2,695)
Increase (decrease) in provision for bonuses	333	546
Increase (decrease) in net defined benefit liability	(217)	32
Interest and dividend income	(2,036)	(3,359)
Interest expense	109,791	133,264
Share of loss (profit) of entities accounted for using equity method	(17,802)	(18,651)
Loss (gain) on sale of investments in securities	(759)	(10,102)
Loss (gain) on liquidation of subsidiaries	-	(2,628)
Loss (gain) on sale of shares of subsidiaries and associates	-	(1,603)
Loss (gain) on sale of shares of subsidiaries	(1,046)	-
Decrease (increase) in installment sales receivable	5,758	(5,277)
Decrease (increase) in lease receivables and investment assets	(112,871)	(62,771)
Decrease (increase) in loans receivable	30,561	44,809
Decrease (increase) in operational investment securities	(71,205)	(61,054)
Purchases of leased assets	(484,102)	(494,775)
Purchases of other operating assets	(2,414)	(34,916)
Decrease (increase) in construction in progress	(94)	4,459
Decrease (increase) in claims provable in bankruptcy or rehabilitation	330	769
Increase (decrease) in trade notes and accounts payable	19,414	7,355
Other, net	(625)	(33,717)
Subtotal	(53,899)	192,173
Interest and dividend income received	9,871	11,926
Interest expense paid	(107,198)	(132,332)
Income taxes paid	(25,516)	(20,396)
Net cash provided by (used in) operating activities	(176,742)	51,371
Cash flows from investing activities		
Proceeds from sales of own assets in use	1,581	607
Purchases of own assets in use	(15,149)	(17,770)
Proceeds from sales/redemptions of investments in securities	12,753	12,162
Proceeds from sale of shares of subsidiaries and associates	-	3,290
Purchases of investments in securities	(44,467)	(33,448)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(68,190)	(1,256)
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	4,307	4,948
Net cash provided by (used in) investing activities	(108,497)	(31,466)

(Millions of yen)

	Fiscal 2023	Fiscal 2024
Cash flows from financing activities		
Increase (decrease) in short-term borrowings, net	306,583	(75,426)
Increase (decrease) in commercial papers, net	25,529	(140,998)
Proceeds from long-term debt	886,826	1,208,265
Repayment of long-term debt	(1,039,492)	(933,004)
Increase (decrease) in payables under securitized lease receivables, net	(8,000)	1,600
Repayments of payables under fluidity lease receivables	(2,490)	(2,460)
Proceeds from issuance of bonds	275,072	191,108
Redemption of bonds	(152,022)	(255,005)
Proceeds from share issuance to non-controlling interest shareholders	375	2,409
Repayments to non-controlling interest shareholders	(1,346)	(3,020)
Cash dividends paid	(21,054)	(27,423)
Cash dividends paid to non-controlling-interest shareholders	(5,493)	(5,080)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(396)	-
Proceeds from sales of treasury shares	0	0
Purchase of treasury shares	(3)	(3,079)
Other, net	(2,190)	(1,265)
Net cash provided by (used in) financing activities	261,897	(43,381)
Effect of exchange rate changes on cash and cash equivalents	5,986	8,348
Net increase (decrease) in cash and cash equivalents	(17,355)	(15,128)
Cash and cash equivalents at beginning of year	201,280	183,925
Cash and cash equivalents at end of year	183,925	168,797

(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

There were no significant changes.

Changes in Accounting Policies

(Application of the Accounting Standard for Current Income Taxes, etc.)

Starting at the beginning of the fiscal year ended March 31, 2025, the Company applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter, the “Revised Accounting Standard 2022”), etc.

The Company followed the transitional treatment provided for in the proviso to Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the “Revised Guidance 2022”) with regard to the revision concerning the classification of income taxes (levied on entities’ other comprehensive income). The change in accounting policies has no impact on the consolidated financial statements.

Starting at the beginning of the fiscal year ended March 31, 2025, the Company also applied the Revised Guidance 2022 with regard to the revision related to changes in the accounting treatment in consolidated financial statements if gains or losses on sale of shares of subsidiaries, etc. resulting from transactions between consolidated entities are deferred for tax purposes. The change in accounting policies was applied retrospectively, and the consolidated financial statements for the fiscal year ended March 31, 2024 were restated accordingly. The change in accounting policies had no impact on the consolidated financial statements for the fiscal year ended March 31, 2024.

Additional Information

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

As of December 31, 2024, consolidated subsidiary Aviation Capital Group LLC had commitments to purchase 171 aircraft (mainly narrow-body) from Boeing, Airbus, and other airlines, including the order to purchase 35 aircraft from Boeing, which was resolved on July 11, 2024. The aircraft are scheduled for delivery through 2031. The estimated aggregate remaining payments for the purchase of aircraft are ¥1,535,338 million (US\$9,706 million).

(Performance-Linked Stock Compensation Plan)

The Company revised its officer compensation system and introduced the Board Benefit Trust-Restricted Stock (BBT-RS), a performance-linked stock compensation plan (hereinafter, the “Plan,” and the trust established under the Plan is referred to as the “Trust”), for its Directors (excluding External Directors; the same applies hereinafter unless otherwise noted) and Executive Officers (hereinafter, Directors and Executive Officers are collectively referred to as “Directors, etc.”).

(1) Outline of the Plan

The Plan is a performance-linked stock compensation plan, under which money contributed by the Company is used as a source of funds for acquisition of the Company shares via the Trust, and the Company shares and money equivalent to the converted amount of such shares at fair value are granted to Directors, etc. via the Trust, pursuant to the regulations governing stock benefits for officers provided by the Company. The timing when Directors, etc. receive the Company shares shall be, in principle, a certain time of every year, and the timing when Directors, etc. receive money equivalent to the converted amount of Company shares at fair value shall be, in principle, a certain time designated by the Company, after the retirement of Directors, etc. If Directors, etc. receive the Company shares during their term of office, Directors, etc. shall enter into transfer restriction agreements with the Company prior to the delivery of the Company shares. This restricts the disposal of the Company shares delivered to Directors, etc. during their term of office, by transfer or other methods, until a certain time designated by the Company, after the retirement of such Directors, etc.

(2) Residual Company shares in the Trust

Residual Company shares in the Trust were recorded as treasury stock under net assets at book value (excluding associated costs) in the Trust. The book value and number of shares of treasury stock as of March 31, 2025 were ¥3,078 million and 1,850,700 shares, respectively.

Consolidated Statements of Income

*1 Gain on liquidation of subsidiaries

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

Not applicable

Fiscal 2024 (from April 1, 2024 to March 31, 2025)

This gain resulted from the liquidation of Tokyo Century Leasing China Corporation, a former consolidated subsidiary of the Company.

Segment Information

1. Outline of reportable segments

The reportable segments of the Company are components for which separate financial information is available and which are subject to regular review by the Board of Directors for the purpose of making decisions regarding the allocation of management resources and evaluating performance.

The Company's reportable segments are Equipment Leasing, Automobility, Specialty Financing, International Business, and Environmental Infrastructure.

- | | |
|-----------------------------------|---|
| (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 |

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

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	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 sales of investment securities)	-	4	1	1	377	385	-	385	375	760
(Gain on liquidation of subsidiaries)	-	-	-	-	-	-	-	-	-	-
(Gain on sale of shares of subsidiaries and associates)	-	-	-	-	-	-	-	-	-	-
(Gain on sale of shares of subsidiaries)	166	879	-	-	-	1,046	-	1,046	-	1,046
(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 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 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 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.

Fiscal 2024 (from April 1, 2024 to March 31, 2025)

(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)	449,116	300,738	334,528	222,652	60,846	1,367,882	752	1,368,635	—	1,368,635
Intersegment revenues /transfers	472	851	152	213	1	1,691	594	2,285	(2,285)	—
Total	449,588	301,590	334,680	222,865	60,848	1,369,573	1,347	1,370,921	(2,285)	1,368,635
Segment income	22,836	17,685	32,872	16,300	81	89,777	1,716	91,493	(6,214)	85,279
Segment assets	1,274,955	500,762	2,972,919	977,222	285,187	6,011,046	48,821	6,059,867	802,994	6,862,861
Other										
Depreciation and amortization	17,595	69,644	97,475	60,179	13,314	258,208	1	258,210	2,911	261,121
Amortization of goodwill	210	130	2,731	1,740	110	4,923	—	4,923	—	4,923
Equity in earnings/loss of affiliates	7,408	753	7,813	1,134	(5)	17,105	1,546	18,651	—	18,651
Extraordinary income	63	89	682	3,630	1	4,468	—	4,468	10,039	14,507
(Gain on sales of investment securities)	63	0	—	—	—	63	—	63	10,038	10,102
(Gain on liquidation of subsidiaries)	—	—	—	2,633	—	2,633	—	2,633	—	2,633
(Gain on sale of shares of subsidiaries and associates)	—	—	674	928	—	1,603	—	1,603	—	1,603
(Gain on sale of shares of subsidiaries)	—	—	—	—	—	—	—	—	—	—
(Other)	0	89	7	67	1	166	—	166	1	168
Extraordinary losses	30	273	135	30	787	1,257	0	1,257	109	1,367
(Loss on valuation of investment securities)	—	—	73	1	747	821	—	821	44	865
(Loss on disposal of non-current assets)	0	125	6	29	—	161	0	161	54	215
(Other)	30	148	55	—	40	275	—	275	10	286
Tax expenses	6,911	10,812	27,442	6,512	649	52,327	92	52,420	(1,778)	50,641
Investment in equity-method affiliates	138,613	4,598	164,843	20,741	12,349	341,146	17,810	358,956	—	358,956
Increase in property, plant and equipment and intangible assets (Note 5)	18,339	100,156	296,453	117,753	7,657	540,361	—	540,361	2,641	543,002

- 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 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 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, 2025 for each of the reportable segments, i.e. Equipment Leasing, Automobility, Specialty Financing, International Business, and Environmental Infrastructure were ¥4,149 million, ¥17,814 million, ¥35,821 million, ¥27,953 million, and ¥54,291 million, respectively.
5. Increase in property, plant and equipment and intangible assets does not include increase from a newly consolidated subsidiary.

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

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

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 in Specialty Financing.

Fiscal 2024 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Equipment Leasing	Automobility	Specialty Financing	International Business	Environmental Infrastructure	Total
Impairment loss	–	–	2,268	–	–	2,268

The impairment loss in Specialty Financing is related to assets associated with the leasing of aircraft.

Per Share Information

	Fiscal 2023	Fiscal 2024
Net assets per share	¥1,781.32	¥2,110.36
Basic earnings per share	¥147.32	¥174.51
Diluted earnings per share	¥146.75	¥173.77

Notes: 1. The Company conducted a 4-for-1 stock split of its common shares effective January 1, 2024. 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.

The Company introduced the BBT-RS (Board Benefit Trust-Restricted Stock). The number of shares of treasury stock at the end of the period includes the Company shares held by the trust for the BBT-RS plan (1,850,700 shares as of March 31, 2025). In addition, the number of shares of treasury stock deducted in the calculation of the average number of shares outstanding during the period includes the Company shares held by the trust for the BBT-RS plan (1,061,144 shares as of March 31, 2025).

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

	Fiscal 2023	Fiscal 2024
Total net assets (Millions of yen)	1,011,176	1,176,889
Amount to be deducted from the total net assets (Millions of yen)	138,945	147,275
(of which share subscription rights (Millions of yen))	(2,240)	(2,540)
(of which non-controlling interests (Millions of yen))	(136,704)	(144,734)
Net assets attributable to common stock at the end of the fiscal year (Millions of yen)	872,230	1,029,614
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)	489,654	487,885

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

	Fiscal 2023	Fiscal 2024
Basic earnings per share		
Net income attributable to owners of parent (Millions of yen)	72,136	85,279
Amount not attributable to common shareholders (Millions of yen)	–	–
Net income attributable to owners of parent attributable to common stock (Millions of yen)	72,136	85,279
Weighted average number of shares of common stock during the year (Thousands of shares)	489,654	488,675
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)	1,904	2,083
(of which number of share subscription rights) (Thousands of shares)	(1,904)	(2,083)
Overview of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effect	–	–

Significant Subsequent Events

(Settlement of lawsuit)

The Company recorded an extraordinary loss in the fiscal year ended March 31, 2023, as it became unlikely that Aviation Capital Group LLC (located in California, United States, hereinafter “ACG”), a consolidated subsidiary of the Company, would be able to recover receivables related to aircraft leased to Russian airlines and loans and loan guarantees for which Russian airlines were the de facto obligators.

Subsequently, ACG pursued litigation against insurers based on insurance contracts covering such leases to Russian airlines. On May 7, 2025 (May 6, 2025, local time in the United States), ACG entered into a settlement agreement with certain insurers, under which ACG will receive a total of US\$398 million in insurance settlement proceeds. The yen-equivalent amount of the settlement proceeds is expected to be recorded as extraordinary income in the Company’s consolidated financial results for the fiscal year ending March 31, 2026.

Litigation with other insurers not party to the settlement agreement remains ongoing.