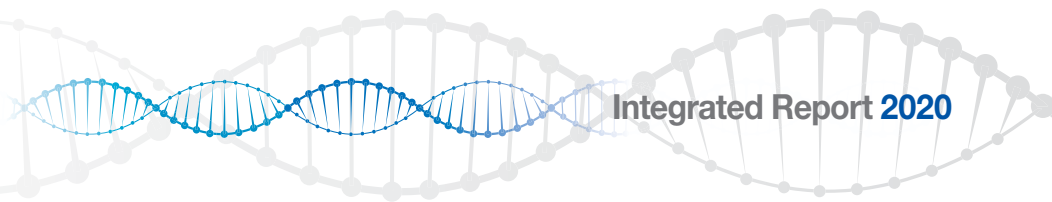




Tokyo Century



Integrated Report 2020

Our commitment runs through our corporate DNA
to assist customers and partner companies
in developing business and pursuing growth

Our DNA

Contents

2 The Way Ahead for Tokyo Century Group

4 History

6 Business Model *Our DNA*

8 Values and Strengths

Create **diverse** businesses that match the current trend in a management environment **free** of **regulatory** constraints

Globally **pursuing business** in more than **30 countries and regions** with partner companies

Highly **specialized professionals** and **an organizational culture** that embraces challenge

14 Business Model for Enhancing Corporate Value

16 Trajectory of Growth

18 Interview with the New President

Aggressively creating new businesses and addressing social issues as a trusted service/business partner

Makoto Nogami

24 A Message from the Chairman

My current mission is to ensure that the entire Group is deeply committed to our corporate philosophy of creativity and unconventional thinking

Shunichi Asada

26 New Fourth Medium-Term Management Plan

Build strong business platform **for the next 10 years**

32 Special Feature Tokyo Century Group's Aviation Business

The Future of Our Aviation Business and Market Presence **with Stronger Life Cycle Management**



38 At a Glance

Business Strategy

40 Equipment Leasing

42 Mobility & Fleet Management

44 Specialty Financing

46 International Business

48 Tokyo Century's Sustainability



60 A Message from the Chairperson of the Nomination Committee

62 Corporate Governance

67 Message from the External Director

68 Risk Management and Compliance

74 Management Organization

78 Performance Highlights

80 Financial Summary

82 Main Subsidiaries, Affiliates and Other

84 Corporate Information/Management

85 Stock Information/Bond Ratings

Management Philosophy

Tokyo Century Group will work alongside customers in pursuit of their growth as a highly specialized and unique financial services company and will contribute to the creation of an environmentally sound, sustainable economy and society.

Forward-Looking Statements

Statements in this integrated report with respect to Tokyo Century Group's plans, forecasts, strategies, presumptions, and other statements that are not historical facts are forward-looking statements based on management's assumptions and beliefs grounded on information that was available when the report was written. Actual Group performance may differ considerably from that discussed in the forward-looking statements.

Pursuing the Creation of a Better Future.

“What kind of financial services do our customers need?”
We always ask this question while we pursue business.

As society’s needs have shifted from ownership to use,
we have advanced with the times, aggressively developing operating leases
and exploring business ventures through joint management
with partner companies.

Leveraging our management environment free of regulatory constraints
has enabled us to rise to the challenges of new business domains,
from financing to services offering high added value,
and into viable businesses jointly operated with our customers.

As we have been an ongoing cycle of challenge and creation thus far,
we will continue to provide unique financial services by flexibly
transforming in response to society’s needs.

We will also offer optimal financial services, drawing satisfaction
from serving our customers and advancing their business activities.
We aspire to become a trusted service/business partner for customers,
working alongside them in creating a better future.

Solutions to your Pursuits.

Tokyo Century provides solutions that empower customers in pursuit of their growth.



History

2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

2009
Century Tokyo Leasing was established through a merger between Century Leasing System and Tokyo Leasing

2016
Changed the corporate name to Tokyo Century



2012
Established Kyocera TCL Solar with Kyocera as a power generation joint venture



2016
Concluded a strategic partnership agreement with Lippo Group, Indonesia's leading conglomerate



2018
Established TC Tsukishima Energy Solution with Tsukishima Kikai as a joint venture in power generation from digestion gas (biogas)

2018
Converted Bplats into an equity-method affiliate
Launched the IoT subscription marketplace "IoT SELECTION connected with SORACOM" in the following year

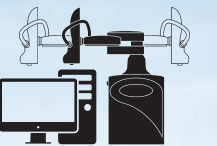
2019
The "18MW Solar Power Project in Collaboration with Power-supply Company (Philippines)" was selected for Japan's Joint Crediting Mechanism Model Projects in FY2019

2019
Acquired shares in Amada Lease and converted it into a consolidated subsidiary
Entered into a strategic partnership with Advantage Partners Group

2020
Issued new shares through a third-party allotment to Nippon Telegraph and Telephone (NTT) and ITOCHU as subscribers
Concluded a capital and business alliance agreement with NTT



Contribution to low-carbon society



Creation of new business driven by technical innovation

Corporate DNA Is Passing Down Alongside Our Partners



2013
Merger between Tokyo Auto Leasing and Nippon Car Solutions and converted Nippon Car Solutions into a consolidated subsidiary

2014
Acquired shares in a leasing subsidiary of Bank of the Philippine Islands, a leading bank in the Philippines, and converted it into an equity-method affiliate

Converted Nippon Rent-A-Car Service into a consolidated subsidiary



2012
Acquired interests in GA Telesis and converted it into an equity-method affiliate



Finance business, Lease business

2010
Converted IHI Finance Support into a consolidated subsidiary

2015
Established Orico Business Leasing specializing in vendor leasing with Orient Corporation
Converted CSI Leasing, a leading U.S.-based independent leasing company, into an equity-method affiliate.
The company was converted into a wholly owned subsidiary in the following year



2017
Participated in developing the ANA InterContinental Beppu Resort & Spa, which opened in August 2019

2018
Acquired shares in Shinko Real Estate and converted it into a consolidated subsidiary

2019
Acquired shares in Myanmar auto leasing company Yoma Fleet and converted it into an equity-method affiliate

Acquired shares in U.S.-based leasing company AP Equipment Financing and converted it into a wholly owned subsidiary

Contribution to social infrastructure development



2017
Converted Aviation Capital Group, a major U.S.-based commercial aircraft lessor, into an equity-method affiliate
The company was converted into a wholly owned subsidiary in 2019



2019
Acquired a 50% stake in ITOCHU Construction Machinery and changed the name to ITOCHU TC Construction Machinery

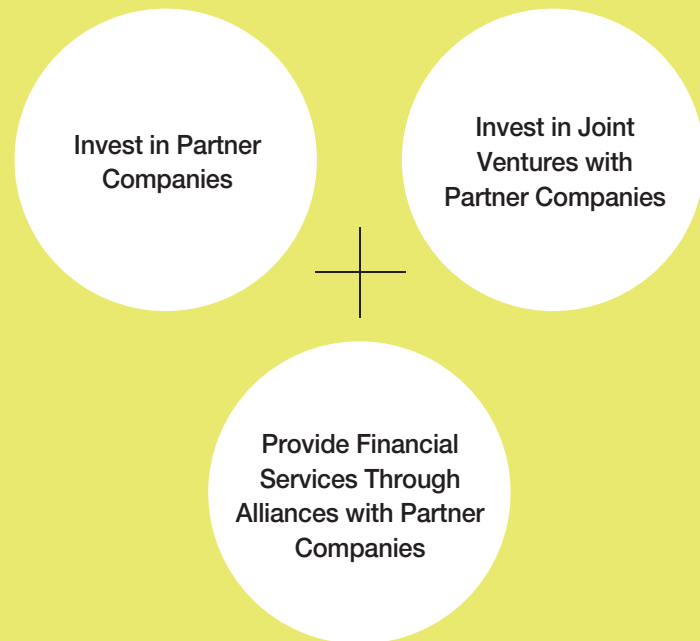
Sustainable resource use



Our commitment runs through our corporate DNA
 to assist customers and partner companies
 in developing business and pursuing growth

Our DNA

Providing financial services focused on the value of assets
 through alliances with partner companies



Major Partner Companies



Equipment Leasing

- NTT
- Fujitsu
- IHI
- AMADA
- Orient Corporation
- JFE Group
- Tsukishima Kikai
- ITOCHU
- Bplats
- Kawasaki Heavy Industries
- Yaskawa Electric
- mitsuiwa
- BYNAS



Mobility & Fleet Management

- NTT
- Orient Corporation
- ANA Holdings



Specialty Financing

- Aviation Capital Group
- GA Telesis
- Kobe Steel
- Nippon Tochi-Tatemono
- Kyocera
- Kyudenko
- Advantage Partners
- IHG ANA Hotels Group Japan

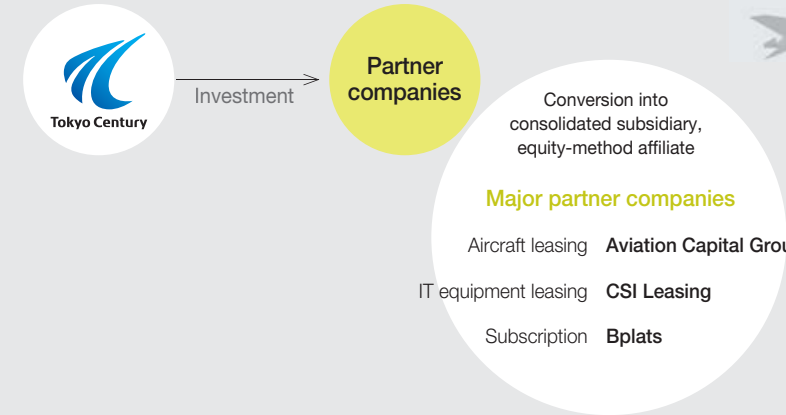


International Business

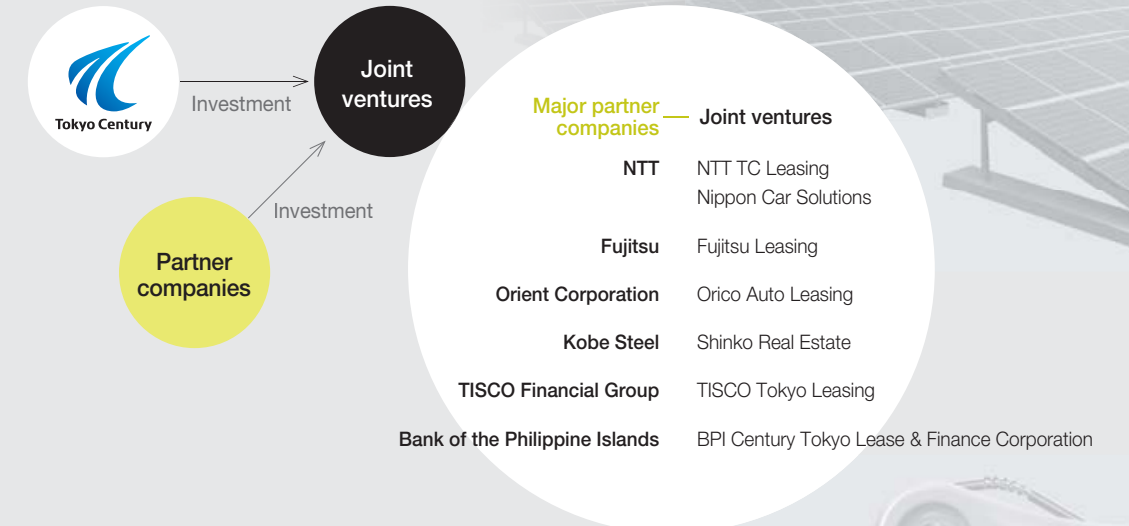
- TISCO Financial Group
- Uni-President Enterprises Group
- Dalian Bingshan Group
- Bank of the Philippine Islands
- Hitachi Construction Machinery Group

Partnerships “**Finance × Services × Business Expertise**”
 Examples

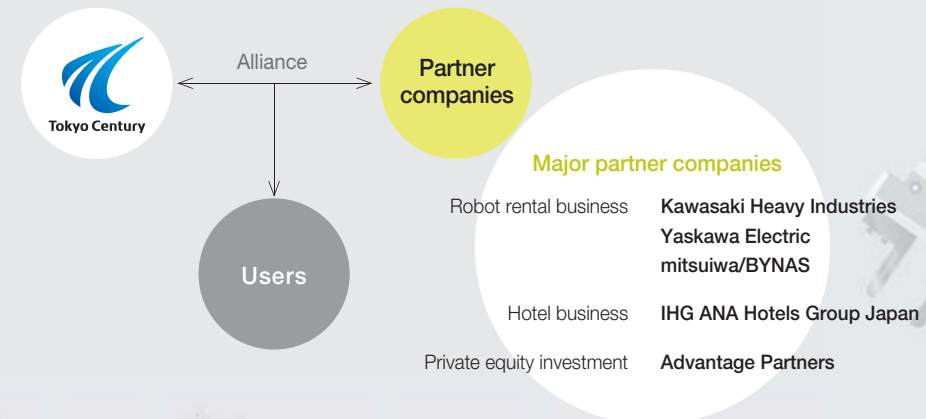
Invest in Partner Companies



Invest in Joint Ventures with Partner Companies



Provide Financial Services Through Alliances with Partner Companies

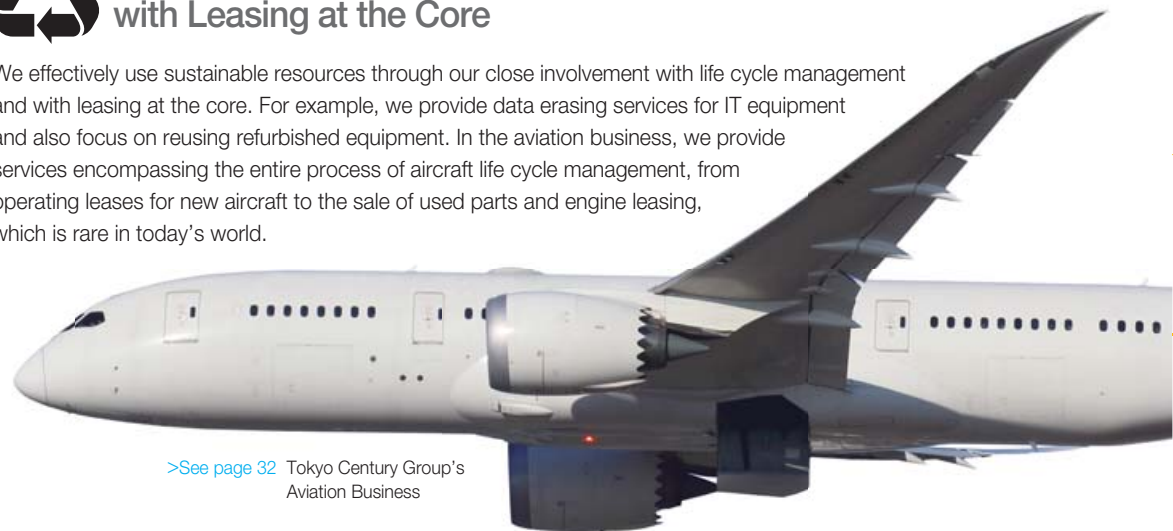


Case Study
Sustainable Resource Use



Effective Use of Renewable Resources with Leasing at the Core

We effectively use sustainable resources through our close involvement with life cycle management and with leasing at the core. For example, we provide data erasing services for IT equipment and also focus on reusing refurbished equipment. In the aviation business, we provide services encompassing the entire process of aircraft life cycle management, from operating leases for new aircraft to the sale of used parts and engine leasing, which is rare in today's world.



>See page 32 Tokyo Century Group's Aviation Business



Case Study
Creation of New Business Driven by Technical Innovation



Sowing the Seeds of New Businesses in Digital Transformation

Digital transformation is giving rise to unprecedented new businesses. Tokyo Century's subsidiary in Singapore has drawn on its digitization expertise to launch an online car loan service based on an autoreply screening system. Moreover, Nippon Car Solutions became the first auto leasing company to receive the IT Award hosted by Japan Institute of Information Technology in recognition for its use of business agent AI to raise operational efficiency.

DNA 1

Create **diverse** businesses that match the current trend in a management

environment **free** of **regulatory** constraints

We actively engage in diverse fields ranging from leasing for all types of assets, including information and communications equipment to businesses related to mobility and fleet management, aviation, renewable energy, and real estate as well as subscription services



Case Study
Contribution to Low-Carbon Society



Preventing Global Warming Based on the Concept of "Finance x Services x Business Expertise"

Tokyo Century Group is contributing to the creation of a low-carbon society through its renewable energy businesses, including solar power and biomass power generation. Outside Japan, we are also focusing on the Joint Crediting Mechanism (JCM), which intends to provide superior low-carbon technologies of Japanese companies and Tokyo Century's financial services to help partner countries reduce their greenhouse gas emissions.

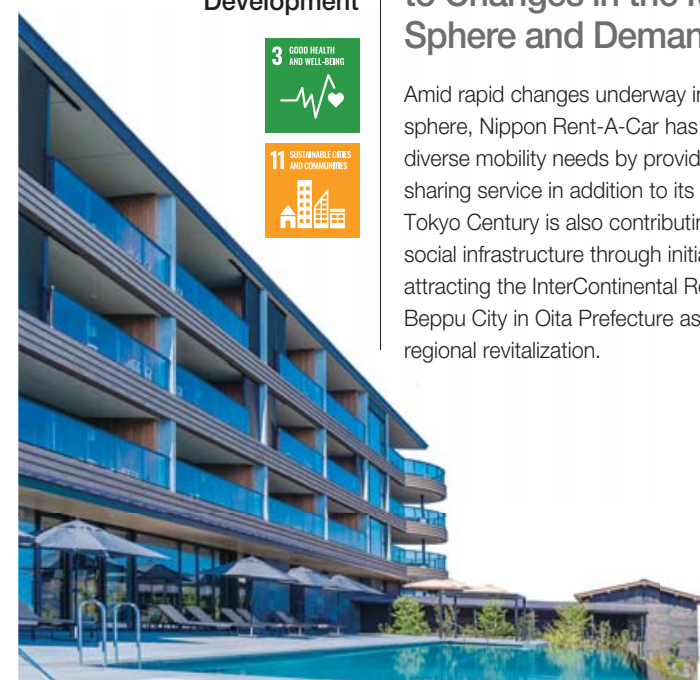


Case Study
Contribution to Social Infrastructure Development



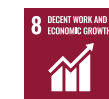
Contributing to Society by Quickly Responding to Changes in the Mobility Sphere and Demand

Amid rapid changes underway in the mobility sphere, Nippon Rent-A-Car has been meeting diverse mobility needs by providing a unique car sharing service in addition to its car rental services. Tokyo Century is also contributing to developing social infrastructure through initiatives that include attracting the InterContinental Resort & Spa to Beppu City in Oita Prefecture as a contribution to regional revitalization.



Case Study

Enhanced Work Environment, Leading to Strengthening of Human Resources



Supporting Employees in Achieving Goals

Tokyo Century endeavors to establish a vibrant working environment in which all officers and employees can develop sound relationships with each other. We also maintain a Career Design Office within the Personnel Division. The office helps employees develop their careers and skills in response to the changing business environment.





United States
Aviation Capital Group LLC
Commercial aircraft lessor



United States
CSI Leasing, Inc.
Company providing IT equipment leasing,
data erasing, refurbishing, and other services

We provide financial services catering to the various systems of countries and needs of customers

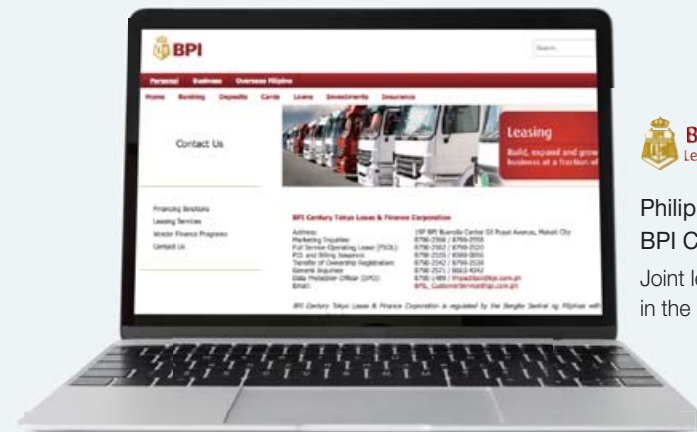
DNA 2
Globally pursuing business in more than

30 countries and regions
with partner companies



統一東京

Taiwan
President Tokyo Corporation
Joint leasing company with
the Uni-President Enterprises Group



Philippines
BPI Century Tokyo Lease & Finance Corporation
Joint leasing company with a leading bank
in the Philippines



Thailand
TISCO Tokyo Leasing Co., Ltd.
Joint leasing company
with the TISCO Financial Group



Singapore
Tokyo Century Leasing (Singapore) Pte. Ltd.
Comprehensive leasing company
focused on fleet services



● **Quickly Discerning the Needs of the Times to Take on Pioneering Projects**

Even the newest of Tokyo Century employees participate in highly specialized projects, allowing younger staff to demonstrate remarkable growth. Decision-making in the shipping business requires significant deliberation due to the scale of the projects. I hope to speed up the process to provide services that meet the needs of a dramatically changing market, free of the constraints of past values and conventions.

■ Orie Kawarasaki
Ship Finance Division
Tokyo Century Corporation

● **Reading the Trends of the Times to Take on New Challenges from a Medium- to Long-Term Perspective**

In addition to providing ICT equipment leasing, we also develop services into businesses through our alliances with partner companies and the creation of subscription-based businesses. Tokyo Century eagerly takes on the challenges of creating new businesses. Looking ahead, I will continue to hone my sensitivity to the rapidly changing trends in digital transformation.

■ Takumi Aiyama
IT Equipment Business Division II
Tokyo Century Corporation

● **CSI and Tokyo Century Share Similar Corporate Cultures**

Management of CSI is actively involved and supportive of new initiatives. My interactions with everyone at Tokyo Century lead me to believe that we have very similar corporate cultures. Since becoming National Sales Manager, I am most proud of reorganizing the U.S. and Canadian sales team. I recommended a tremendous amount of change to our CEO and President that included many difficult decisions. I am very thankful they trusted me and allowed us to implement a new approach that garnered much success.

■ Patrick Gloriod
Executive Vice President &
National Sales Manager
CSI Leasing, Inc.

● **Aggressively Presenting New Business Proposals to the Company**

I am involved in importing construction materials that constitute the mainstay of ITOCHU TC Construction Machinery. Prior to this, I worked on a business development project, a memorable experience that was also highly rewarding, as I had to work in a sense from scratch on everything from negotiating with partners to ensuring profitability. I hope to establish a business that draws on the strengths of both ITOCHU TC Construction Machinery and Tokyo Century.

■ Rina Sawataishi
Seconded to ITOCHU TC Construction Machinery Co., Ltd.
from Corporate Business Division V
Tokyo Century Corporation

We value ingenuity, flexible thinking, spirit of challenge, and sincerity

DNA 3

Highly **specialized professionals** and

an organizational culture

that embraces challenge

- Orie Kawarasaki
- Takumi Aiyama
- Patrick Gloriod
- Rina Sawataishi
- Sarah Uballez
- Kenichiro Kobayashi



● **Extremely Productive Yet Also Fun and Interesting Work Environments**

API's business includes financing transportation equipment, an industry I love for many reasons, notably our role in developing and growing small businesses where hard working individuals make a good living for their families. I once received a thank you note and framed photo of a red dump truck that we had financed. I have kept this picture as a reminder of our mission. While API's culture is engaging, nurturing, collaborative and casual, employees are pushed to fully demonstrate their skills.

■ Sarah Uballez
Treasury Manager/Salesforce Administrator
AP Equipment Financing Inc.

● **Organizational Culture that Encourages Me to See My Potential Across a Vast Range of Businesses**

I am responsible for managing a fleet of approximately 10,000 cars for about 30 mostly large companies and for offering proposals that meet customer needs. The automotive industry is in the midst of a once-in-a-century period of transformation, as evidenced by CASE and MaaS. Motivated by an organizational culture that embraces the spirit of challenge and unorthodox ideas, I would like to become a leader in the fleet services of the future.

■ Kenichiro Kobayashi
Sales Division I, Sales Headquarters I
Nippon Car Solutions, Co., Ltd.

Business Model for Enhancing Corporate Value

Tokyo Century's Management Resources

Operating Segments

Human Capital Human resources that sustain value creation

Number of employees (consolidated)*1
7,365

Social and Relationship Capital Relationships of trust with customers

Broad customer base

Intellectual Capital Expertise in financial services

Alliances with partner companies
Providing financial services focused on the value of assets

Manufacturing Capital Source of profits

Segment Assets*1
¥4.8 trillion

Financial Capital Stable fund procurement

Consolidated net assets*1
¥660.1 billion

Credit ratings*2
JCR R&I S&P
AA- A BBB

Natural Capital Spread of renewable energy

Solar power generation*1
96 locations, 352MW

Equipment Leasing

- Capability in evaluation and management of assets
- Diverse services and solutions based on collaboration with manufacturers and dealers
- Response to advances in digital technologies such as the spread of 5G, IoT, and subscription services



Mobility & Fleet Management

- Top-tier company in the industry providing a full range of fleet services
- High-quality, next-generation services including telematics and business process outsourcing
- Creation of new services that address the spread of electric vehicles and diverse mobility needs



Specialty Financing

- Professionals with advanced expertise and collaboration between leading partner companies
- World's top-class aircraft value chain functions
- Expansion into new business domains such as principal investment business



International Business

- Global network encompassing over 30 countries and regions and partnerships with leasing companies in each region
- Consulting service for IT equipment and life cycle management service addressing information security needs
- Cutting-edge initiatives in environment-related businesses addressing the SDGs



Value Creation **Assisting Customers and Partner Companies in Developing their Businesses**

Business Model **Realizing Sustainable Profit Growth**

Grasp issues faced by customers and partner companies



Consider collaborations, alliances, and joint ventures with partner companies



Provide financial services focused on the value of assets



Contribute to the resolution of social issues



Output

Become a Trusted Service/Business Partner

FY2019 Results

Revenues
¥1,166.6 billion

Ordinary income
¥91.1 billion

Net income attributable to owners of parent
¥56.3 billion

ROE
11.5%

Segment assets
¥4,773.0 billion

Shareholders' equity
¥554.5 billion

Shareholders' equity ratio
9.9%

Become a company that sustains social infrastructure

Demonstrate competitive advantages by creating services that meet the needs of the times

Provide quality services for customers in Japan and overseas

*1 As of March 31, 2020

*2 Credit ratings are for Tokyo Century Corporation

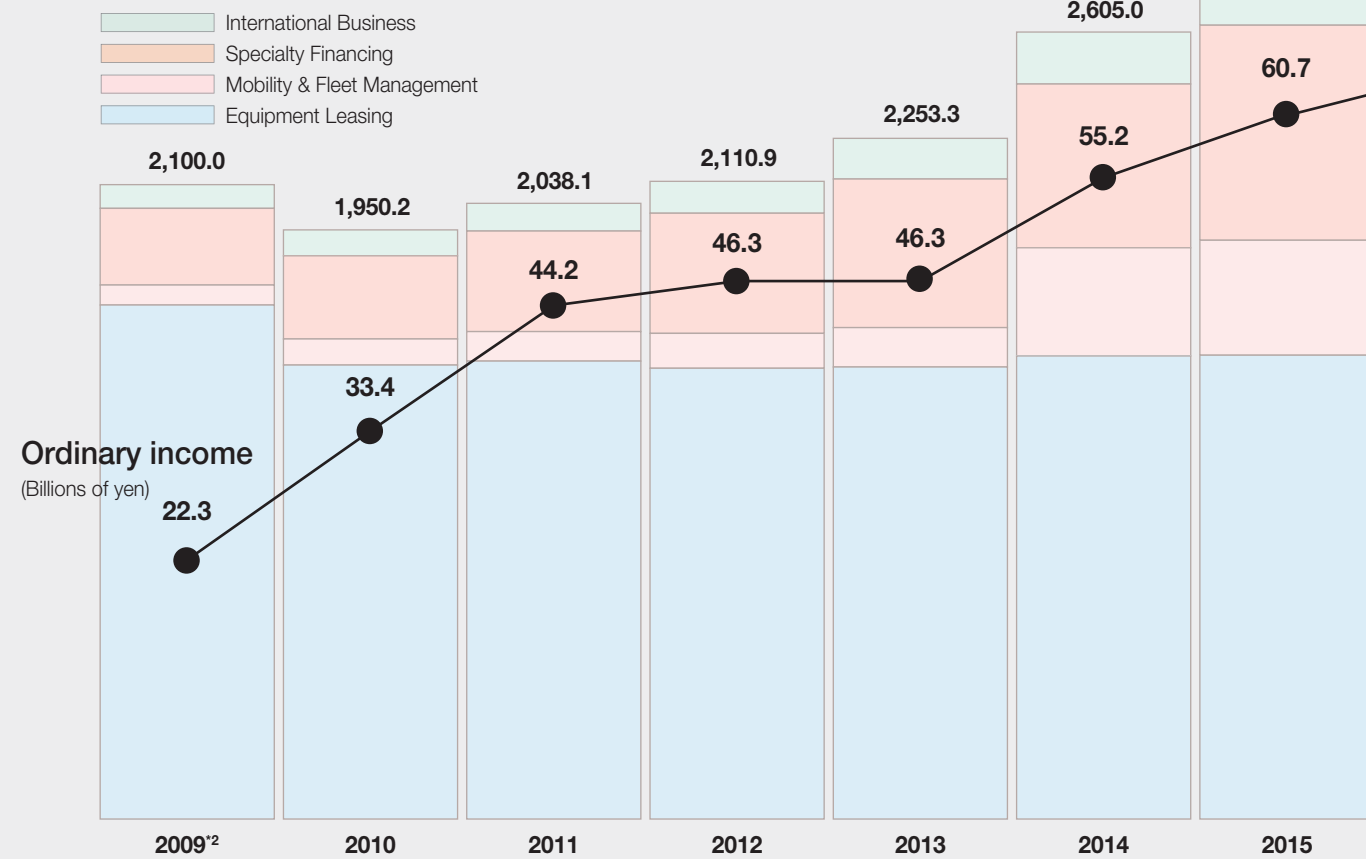
**New Fourth Medium-Term Management Plan*1
FY2020-FY2022**

	Targets
Ordinary income	¥130.0 billion
Net income attributable to owners of parent	¥80.0 billion
Shareholders' equity ratio	12%
ROE	12%

Basic Policies

- As a company with financial capabilities, establish a global platform for stable business, including viable business with partner companies
- Tirelessly create new financial services in response to changes in the business environment and build a solid, high-quality business portfolio
- Build the management base supporting the improvement of corporate value over the medium to long term

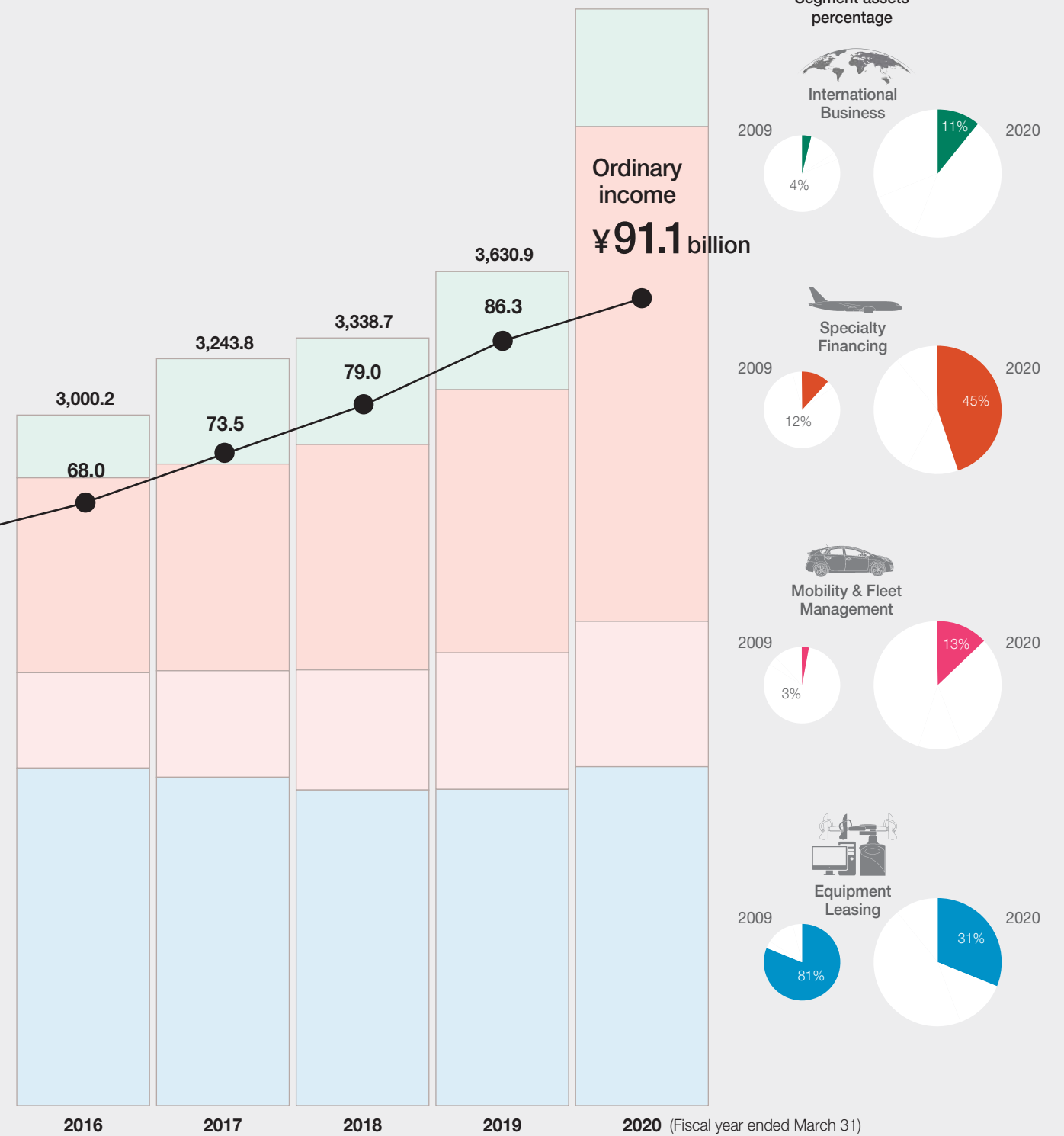
Balance of segment assets
(Billions of yen)



*1 We finished the Fourth Medium-Term Management Plan after a year from its start in Fiscal 2019, and announced the New Fourth Medium-Term Management Plan in February 2020.

*2 Data for fiscal 2008, the year immediately prior to the merger, is a simple aggregation of data for the former Century Leasing System, Inc. and the former Tokyo Leasing Co., Ltd.

Balance of segment assets
¥4,773.0 billion*3



*3 Segment assets consist of the total amount of operating assets, investment in equity-method affiliates, goodwill, etc., belonging to each segment.

Aggressively creating new businesses and addressing social issues as a trusted service/business partner

Makoto Nogami

Makoto Nogami
President & CEO, Representative Director

The Future of Tokyo Century

Q As the newly appointed president of Tokyo Century, could you share with us where you plan to take the company?

A I can summarize the direction in a simple statement: Tokyo Century will generate a stable, sustainable profit stream by consistently providing services that satisfy and benefit society.

Up to the Third Medium-Term Management Plan, we had achieved growth by pursuing solutions for issues our customers faced. In the Fourth Medium-Term Management Plan, which began in fiscal 2019, we clarified our mission of contributing to the resolution of social issues and enhancing our corporate value by providing even higher quality services.

Since we launched the Fourth Medium-Term Management Plan in April 2019, we have converted the U.S.-based commercial aircraft lessor Aviation Capital Group (ACG) into a wholly owned subsidiary and formed a capital and business alliance with Nippon Telegraph and Telephone (NTT), which included a third-party allotment of our shares. We therefore formulated the New Fourth Medium-Term Management Plan to reflect these developments. We intend to increase both the

quality and quantity of our partnerships to further explore the “Finance × Services × Business Expertise” business model that is unique to Tokyo Century.

Becoming a Trusted Service/ Business Partner

Q Please explain Tokyo Century’s goal for the next decade under the New Fourth Medium-Term Management Plan.

A While our stated goal is to become a trusted service/business partner, we have always sought to achieve this by developing a variety of businesses. So, I would like to see Tokyo Century achieve that as quickly as possible, well before the end of the next decade.

Under a management environment free of regulatory constraints, Tokyo Century has carved out a unique position by developing unrivaled businesses while maintaining its core operating lease business. This is the source of our overwhelming competitive advantage. We will come closer to attaining our goal for the next decade by raising awareness of contributing to the resolution of social issues and continuously generating unique financial services.





We will integrate our respective strengths to create new businesses in areas such as renewable energy and real estate through our capital and business alliance with NTT.



We intend to take on the challenges of new business domains and develop new business models under the keywords for the next decade: digital, mobility and subscription.

Accelerating Growth in the Aircraft Leasing Business

Q The conversion of ACG into a wholly owned subsidiary is expected to significantly impact future earnings. What is your strategy for this business?

A The aircraft leasing business is characterized by high barriers to entry as well as high margins, due to the advanced expertise required. As a major leasing company, the aircraft leasing operation is a key piece in our possession that will be essential for achieving future growth. Consequently, we have gradually increased our stake in ACG since our first investment in 2017. By converting it into a wholly owned subsidiary in December 2019, we have now laid the foundation for developing our aircraft operating lease business on a global scale.

Furthermore, by demonstrating synergies with our investments in low-cost carrier Jetstar, and GA Telesis, we have reinforced our system of aircraft life cycle management, thereby gaining a considerable competitive advantage.

Some have pointed out that future demand for aircraft may remain below past estimates for years to come as the spread of COVID-19 limits global travel.

On the other hand, airlines are steadily entering into operating leases to stabilize their financial condition, so I believe aircraft leasing will continue to be a promising business as the ratio of leasing rises.

Collaborating with NTT Through the Capital and Business Alliance

Q What kind of collaboration do you have in mind with respect to the capital and business alliance with NTT?

A Under the capital and business alliance, NTT acquired a 10% stake in Tokyo Century to become

its third largest shareholder. In July this year, we invested 50% to begin joint operation of NTT TC Leasing, which was established by spinning off the leasing and global business of NTT Finance, the core financial company of the NTT Group.

In addition to jointly operating NTT TC Leasing, we hope to integrate our respective strengths to generate new businesses through our alliance with NTT. We are specifically pursuing business opportunities in the key areas of renewable energy, real estate in Japan and overseas, and data center operations.

Assessing Business Segments and their Futures

Q What is your assessment of Tokyo Century's four operating segments? Please also share your views on the future as well as your expectations for each segment.

Equipment Leasing

A In the last decade, transaction volume contracted due to changes in accounting standards and competition intensified in the face of low interest rates. Amid this persistently challenging environment, we bolstered businesses that required advanced expertise while enhancing organizational efficiency to improve ROA and raise profitability.

In the future, we will pursue a further shift from commoditized finance leases while accelerating the pace of business co-creation with leading partners to develop a "Finance × Services × Business Expertise" business model to address social issues.

We will also move aggressively into the promising areas of digital transformation and subscription-style businesses.

Mobility & Fleet Management

A Five years have passed since we began developing Mobility & Fleet Management as an independent segment, and ordinary income has doubled over this period. The segment comprises Nippon Car Solutions

(NCS), auto leasing serving corporate customers; Nippon Rent-A-Car Service (NRS), car rental service; and Orico Auto Leasing (OAL), auto leasing catering to individuals. All three companies are committed to offering quality services and boast top-class recognition in their respective sectors. The consistently favorable performance of this operating segment has also been sustained by the expanded synergies among the three companies.

As the automotive industry faces what is being described as a once-in-a-century period of change, Tokyo Century Group has been steadily making its move. We intend to boldly promote a number of changes to remain among the top runners a decade from now.

Specialty Financing

A Specialty Financing has played a central role in Tokyo Century's growth over the last decade. Under the New Fourth Medium-Term Management Plan, ACG, which has been converted into a consolidated subsidiary, will lead as the Group's growth driver. We will also draw on our strengths in advanced expertise and an extensive network of partners to actively develop businesses in areas such as real estate, the environment and energy, and principal investments.

We will continue to hone our expertise as we explore business co-creation as an indispensable partner.

International Business

A In our International Business, we have been pursuing collaborations with leading companies and conglomerates in each country based on our alliance strategy. In our U.S. business, CSI Leasing (CSI), which was converted into a wholly owned subsidiary in 2016, expanded its unique business model to achieve significant growth and evolve into a primary profit center.

CSI will accelerate its growth by expanding its global sales base. In the ASEAN market, it will seek to expand profit opportunities by promoting alliances with leading local companies.



“
Our greatest strength is our ability to address the needs of our customers and society by offering the best possible solutions beyond the framework of financing that encompass services and viable businesses under a management environment free from regulatory constraints.
”

Tokyo Century's Strengths

Q What are the strengths and characteristics that differentiate Tokyo Century from competitors?

A There are four distinct strengths that differentiate us from other companies. First, we have the ability to address the needs of our customers and society by offering optimal proposals beyond the framework of financing that encompass services and viable businesses under a management environment free of regulatory constraints. This is one of our unique features.

Second, we have a broad array of business partners. Alliances and collaborations enable us to enter business domains that would not be possible for Tokyo Century alone.

Third, employees possess advanced expertise enabling us to engage in businesses with high barriers to entry. Operating leases can result in considerable losses unless our actions are based on a proper assessment of the value of assets. Aircraft and

auto leasing are major examples in which advanced knowledge of aircraft or automobiles is essential for operating businesses.

Fourth, we have been ceaselessly pursuing management reform. While digital transformation is the current buzzword, Tokyo Century was quick to adopt this methodology and has been relentlessly pursuing operational efficiency and workstyle reform at the same time. For example, while we have 13 business locations in Japan besides the head office, sales administration and contract management are conducted at the head office using IT to raise the efficiency of back office operations. At NCS, AI is used to automate the process of checking approximately 100,000 monthly billing documents from auto repair factories, which in the past had been done visually. This is a win-win relationship in which the partner factories also appreciate the improvement in their operational efficiency.

Service quality is undoubtedly an important element of differentiation. The basis of that quality consists of four elements: superior product development capability,

the expertise for making versatile use of products, the ability to adequately communicate the value of products, and nimble action. The number of employees who can provide quality service is also an important element in differentiating Tokyo Century from other companies. I would like our employees to be capable of playing their role as professionals, wherever they are. They should always be mindful of the aforementioned four elements. The company will do its part by focusing on meeting the need for human resource development.

Promoting Sustainability Management

Q Tokyo Century has been actively promoting sustainable management. What are your plans for future initiatives?

A In our business of leasing, we have been practicing the 3Rs of reduce, reuse and recycle, and have historically contributed to the creation of an environmentally sound, sustainable economy and society. Furthermore, by identifying our materiality in 2019, we began engaging in initiatives for addressing social issues based on a broader perspective of the SDGs.

Tokyo Century is also helping achieve Japan's target for reducing greenhouse gas emissions by joining projects to reduce greenhouse gases in emerging countries as a representative participant under the Joint Crediting Mechanism. This business is only possible for a company with a broad global network like ours, and I believe it is worth expanding further.

Meanwhile, NCS has had significant success in spreading and promoting electric vehicles (EVs). EVs not only reduce greenhouse gas emissions but are also effective as an emergency power source during a disaster, which is why we began to pursue the initiative. In 2019, during the prolonged blackout caused by Typhoon Faxai in Chiba Prefecture, EVs arranged by NCS were used to supply emergency power to social welfare facilities and others and was greatly appreciated. We plan to reinforce this effort to realize

a low-carbon society and as part of our crisis management activities.

Until now, Tokyo Century has been breaking the status quo of a leasing business to generate new financial services. I believe that Tokyo Century will be able to continue creating new businesses that benefit society by transforming itself in response to contemporary social requirements.

A Message to Stakeholders

Q What is your message to stakeholders?

A The conversion of ACG into a wholly owned subsidiary in December 2019 has significantly changed Tokyo Century's earnings and financial environment. While the New Fourth Medium-Term Management Plan covers a three-year period, we sought to describe in as much detail as possible the ideal vision of the company over the next decade.

As major KPIs, we are targeting ¥130 billion in ordinary income and ¥80 billion in net income attributable to owners of parent in the final fiscal year of the plan. When we changed the company name to Tokyo Century in 2016, we were advised to aim for ¥100 billion in net income and ¥1 trillion in market capitalization. At the time, I felt these were extremely ambitious targets, but once we attain the numerical targets of the New Fourth Medium-Term Management Plan, we will have a better view of the path ahead. Therefore, our priority is to implement the plan steadily. As a premise, I have renewed my resolve to turn Tokyo Century into a company that achieves business growth by solving social issues and contributing to society.

Although we are setting sail as the impact of COVID-19 increases in severity, Tokyo Century has grown over the years in the face of adversity, such as the collapse of Lehman Brothers and the Great East Japan Earthquake. Overcoming hardships has become deeply ingrained in our corporate culture. We will absolutely overcome this latest difficulty and look forward to the continued understanding and support of our shareholders and stakeholders.

My current mission is to ensure that the entire Group is deeply committed to our corporate philosophy of creativity and unconventional thinking



Shunichi Asada
Chairman, Representative Director

Our Previous Decade, and the One Ahead

Tokyo Century was formed through a merger in April 2009 immediately following the Lehman Brothers' collapse. At the time, we were primarily focused on finance leases. We have since reconstructed our business around operating leases that involve taking a certain level of risk while steering away from finance toward services and viable businesses. Leasing is commonly associated with the business of finance leases, and as an industry we fall under the category of finance. The business model we have been pursuing, however, is not that of a financing company but rather of a service company that sits midway between industry and finance. In my ten years as president, my priority was to turn us into a versatile services company close to financing yet free to operate without the regulatory constraints of the Banking Act.

From here on, I hope to play my role as chairman from two standpoints. One is to ensure that our corporate philosophy and management principles become firmly entrenched throughout the Group. I believe it is important that we renew our commitment to the idea of positioning ourselves across a broad spectrum of industry, from finance to services and viable businesses, and to the idea of a business model free from conventional thinking. The other standpoint involves providing the know-how for effectively responding to social change. In the years ahead, we are likely to experience dramatic changes in the business environment that will transform this industry, such as the rapid advance of digital transformation. As we

face up to such changes, I hope to offer the experience and knowledge I have gained from maintaining a broad view of the financing and leasing businesses.

Tokyo Century's Future and Growth Opportunities

With operating leases at the core, we engage in businesses that lie between industry and finance, which typically allows us to expand our business domains by taking on offers from both sides depending on our capabilities and strengths. In addition, due to our origins in leasing IT equipment, we have accumulated experience at the forefront of information and communication technology (ICT), another major characteristic. In the near future, as society rushes to develop the digital infrastructure necessary for pursuing a new normal, ICT will assert an even more overwhelming presence in our lives. Our capital alliance with NTT should allow us to pursue major joint projects in the expansive ICT domains addressed by the NTT Group. In that sense, I believe Tokyo Century has significant potential for growth.

While it may not be so apparent from the outside, the leasing business is linked with a vast number of business sectors and requires in-depth knowledge of the tax system, laws and regulations, and accounting practices. Our sales representatives must deeply understand the latest regulatory reforms as well as government subsidies and other new programs, to present customers with precise plans on a timely basis. For this reason, our employees are not only knowledgeable about everything from accounting and financial markets to regulatory

restrictions but are also absolutely tenacious in forging relationships of trust with customers. A growing number of employees have begun to demonstrate leadership in this industry. I am counting on them to significantly contribute to Tokyo Century's future growth.

To Our Stakeholders

I believe there are two keys for ensuring that Tokyo Century continues to grow as a company that can sustain growth over the next 50 to 100 years. Companies are prone to systemic fatigue after about 30 years of history. To overcome this risk, it is important to share a corporate philosophy that provides a vantage point. The other key is to nurture management personnel. Our business requires highly professional personnel who can lead each unit. But I would also like to focus energy on cultivating personnel capable of discerning the direction of the coming era from a management perspective and who can take a broad view of our business.

Our business is uniquely relevant to the current age, in which values are shifting from ownership to use. Financial services businesses like ours are being reevaluated from the standpoint of avoiding the obsolescence risk of equipment due to technological innovation as well as achieving management efficiency. Investors are showing growing interest in our industry as an attractive business model that lies in the growth zone. I believe that our stakeholders can expect medium- to long-term growth for Tokyo Century Group as we pursue paths that include the expansion of our ICT business and regional revitalization through our real estate business.



New Fourth Medium-Term Management Plan

Basic Policies and Positioning of New Fourth Medium-Term Management Plan

Build strong business platform **for the next 10 years**

Tokyo Century has benefited from a management environment free of regulatory constraints while steadily expanding its business domains and maintaining its core operating lease business. Under the New Fourth Medium-Term Management Plan, we will assemble a solid, high-quality business portfolio through collaboration with the NTT Group and strategic financial services including ACG's aircraft leasing.

We will bolster our management foundations by strengthening corporate governance, developing global human resources, and reinforcing consolidated management, thereby establishing an environment for improving corporate value over the medium to long term.

First to Fourth Medium-Term Management Plans

Past

**2009–2019
Build platform for growth**

- Fourth Medium-Term Management Plan (2019)**
 - Raised asset efficiency and steadily worked toward sustainable growth
- First to Third Medium-Term Management Plans (2010–2018)**
 - Expanded business domain into promising growth fields
 - Became a comprehensive financial services company focusing on assets
 - Changed company name (October 2016)
 - Developed business with focus on asset efficiency
 - Pursued viable business initiatives taking advantage of management freedom

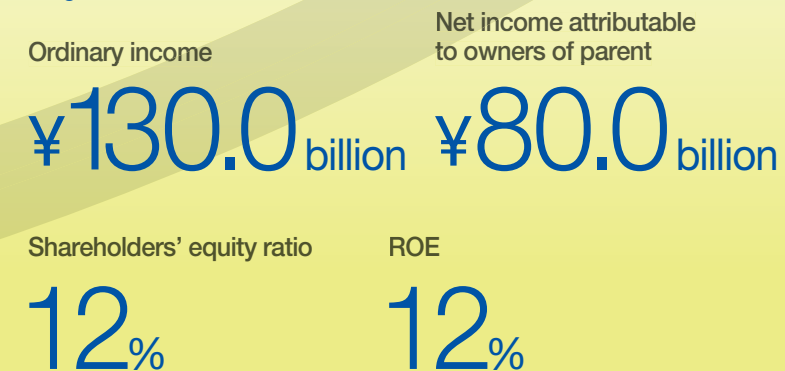
Present

**New Fourth Medium-Term Management Plan
2020–2022**

Shaping the Next Decade

- Basic Policies**
- As a company with financial capabilities, establish a global platform for stable business, including viable business with partner companies
 - Tirelessly create new financial services in response to changes in the business environment and build a solid, high-quality business portfolio
 - Build the management base supporting the improvement of corporate value over the medium to long term

Targets for FY2022



Next 10 years

Future

2022–2030
Become a trusted service/business partner

A global corporate group bringing together diverse personnel playing active roles

- Contribute to resolution of social issues
- Achieve stable and sustainable growth

Key Themes	Policies
Strengthen consolidated management	<ul style="list-style-type: none"> ● Raise level of consolidated management on a global basis ● Manage sustainably to help strengthen responsiveness to the Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) issues ● Continue examination of operating systems to create systems that contribute to autonomous management of each business domain ● Generate creative ideas and new business
Enhance and reinforce the financial base	<ul style="list-style-type: none"> ● Stabilize fund procurement ● Expand foreign currency purchasing capabilities ● Raise level of asset liability management
Emphasize diversity in human resources development and work style reform	<ul style="list-style-type: none"> ● Secure diverse human resources (skilled personnel required by each operating segment or operation headquarters) ● Develop global human resources ● Review and reform personnel policies to suit the characteristics of operating segments and work style reform

Key Themes	Policies
Drive business transformation with digital technology	<ul style="list-style-type: none"> ● Harness digital technology to enhance corporate value and bolster competitiveness ● Drastically revise existing systems to accelerate digital innovation ● Develop systems aimed at promoting digital innovation
Sophisticate risk management systems	<ul style="list-style-type: none"> ● Strengthen risk management in response to diversification of business investments and other elements of risk profile ● Build risk control framework aimed at efficient allocation of management resources ● Respond to society's demands for information security, diverse crisis management, quality control, etc.
Strengthen corporate governance	<ul style="list-style-type: none"> ● Strengthen management systems contributing to enhancement of corporate value ● Strengthen group governance ● Strengthen efforts to improve effectiveness of the Board of Directors

Tatsuya Hirasaki
Managing Executive Officer

President, Accounting Unit
Deputy President, Corporate Planning Unit
General Manager of Corporate Planning Division

Income Targets for the New Fourth Medium-Term Management Plan

Tokyo Century has achieved continuous growth over the past decade by steadfastly demonstrating its spirit of challenge and opening up new business domains. In the New Fourth Medium-Term Management Plan, launched in April 2020, we are upholding income targets equivalent to the highest levels in the industry, with ¥130 billion in ordinary income and ¥80 billion in net income attributable to owners of parent (hereafter “net income”). I believe that we can attain these targets as long as every operating segment fulfills its respective mission and we pursue an organizational effort driven by an awareness of the roles and responsibilities of each officer and employee.

The keys for achieving the targets are to seek growth in our aircraft leasing business led by ACG and to accelerate collaboration through our capital and business alliance with NTT. While the effects of COVID-19 will require us to make certain immediate adjustments, I am convinced that the aircraft leasing business will fully recover and return to an upward growth trajectory. Meanwhile, in the first step of our collaboration with NTT, we acquired a 50% stake in NTT TC Leasing, which was created by carving out the leasing and global businesses of NTT Finance and converting it into an equity-method affiliate.

There are abundant possibilities for collaboration with the NTT Group for all four operating segments of Tokyo Century in the fields of digital, mobility, real estate and renewable energy, as well as the global businesses, which offer unprecedented opportunities for Tokyo Century. We will make a Group-wide effort to promote these collaborations in order to enhance our own corporate value and play our part in increasing the corporate value of the NTT Group.

Direction of Segment Asset Management for Bolstering the Business Platform

We anticipate that our balance of segment assets will reach the ¥5 trillion level by the end of the ongoing Medium-Term Management Plan on March 31, 2023. Since we converted ACG into a consolidated subsidiary, our segment assets have already reached ¥4.8 trillion as of March 31, 2020. From here on, our overall strategy will be to increase returns by exercising even greater control over the volume of assets and risks by securitizing businesses that fall short of profitability and growth expectations or do not yield returns commensurate with the risks. In terms of operating segments, in Equipment Leasing we will focus on improving ROA and therefore do not plan to increase the balance of assets. On the other hand, we intend to increase assets in Specialty Financing with due consideration of risks.

“ We will strive to build a strong business platform for the next 10 years based on balance sheet management. ”



Direction of Segment Asset Management



Specific Strategy

Capital and Business Alliance with NTT

First Step of Business Alliance with NTT

Reinforcement and expansion of the leasing and finance businesses

NTT TC Leasing Co., Ltd.

(Start of operation: July 2020)

Main Business

Leasing

- Leasing services for companies in Japan
- Installment sales, loans, and factoring
- Structured finance and other operations

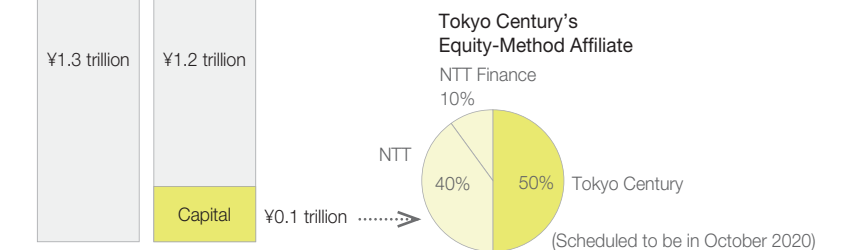
Global Business

- Leasing services for overseas companies
- Installment sales, loans, and factoring
- Aviation and ship finance, JOL, and other operations

Integrating NTT's Customer Base with Tokyo Century's Financial Services Solutions

Assets: ¥1.3 trillion
Liabilities: ¥1.2 trillion

Fund procurement backed by quality assets and management bases of the NTT Group and Tokyo Century Group



Starting with the NTT Group's auto leasing business

1. Existing business collaboration:
Auto leasing business

- Mobility & Fleet Management
- Integrated the auto leasing business in 2005 and become a leading company in the industry

2. The first step of capital and business alliance: Enhance and expand leasing and finance business

- Equipment Leasing
- Establish a joint company, which undertakes leasing and finance businesses
- Respond to the asset business where expansion is expected

3. Consider further development of business fields with growth potential through collaborations

- Equipment Leasing: Digital business
- Mobility & Fleet Management: Mobility business
- Specialty Financing: Real estate, renewable energy business
- International Business: Global business

Specific Strategy

Strategic Partnership with Advantage Partners



Strengths and expertise of Advantage Partners

- Commenced its services as the first Japanese buyout fund in 1997
- Funds served by AP Group hold a leading track record in the private equity market in Japan
- Provide management support focusing on the growth of portfolio companies
- Offer value-added consulting services with its members with a variety of experience in management

Capital and business alliance

Shareholding ratio of Tokyo Century 14.9%

- Acquire ordinary shares in Advantage Partners (H.K.) Limited ("APHK") and subscribe for its equity financing
- Envision making APHK into an equity-method affiliate in the future

Details of main partnership

1. Expansion of investment opportunities through mutual utilization of network
2. Cooperation in co-investments
3. Financing and management support services for portfolio companies

Develop corporate investment business jointly with Advantage Partners to establish it as a new core pillar of Tokyo Century Group



To build a strong business platform for the next 10 years, we will focus on the three issues of expanding business domains, strengthening strategic partnerships, and emphasizing asset efficiency in business portfolio management. While we will continue to collaborate with partner companies towards building a strong business platform, we will need to also maintain an overall balance in assets as we manage our portfolio in view of the ongoing expansion in our Specialty Financing centering on aviation business.

At the same time, we will focus on developing an asset portfolio that will benefit our materiality linked to the SDGs, such as contribution to a low-carbon society and social infrastructure development. The leasing business naturally involves practicing the 3Rs of reduce, reuse, and recycle. In addition, the financial services provided by Tokyo Century are themselves synonymous with contributing to the social activities of our customers. As the SDG perspective of contributing to a sustainable society becomes even more important, we aspire to show our stakeholders how we will steadfastly contribute to society by providing financial services that customers can rely on.

Capital Policy and Shareholder Returns Policy

As a listed company, Tokyo Century must maintain ROE at a level that exceeds the cost of shareholders' equity while continuously seeking improvements. Tokyo Century's PBR has remained at a comparatively high level in the industry, constantly remaining above one. Average ROE for the past five years was 12.8%, which is one factor that explains the high level of our PBR. In February 2020, we implemented a third-party allotment of our shares to procure funding necessary for future business growth. Under the New Fourth Medium-Term Management Plan, we have set our target of ¥80 billion in ordinary income. We will seek to improve our EPS while maintaining ROE at around 12% to meet investor expectations.

To that end, we will bolster our efforts to improve ROA when investing in promising ventures while exercising appropriate risk management. As the major proportion of our earnings shifts from finance to services and viable businesses, the risks become more diverse. While we will pursue higher profitability commensurate with the quantity of

risk, we must also seek to avoid undermining the dynamism of our operations by becoming too focused on that factor alone. To monitor the risks and returns, Tokyo Century calculates profitability by incorporating the cost of shareholders' equity for each operating segment on an experimental basis. Looking ahead, we will continue to build a system for improving ROA over the medium to long term.

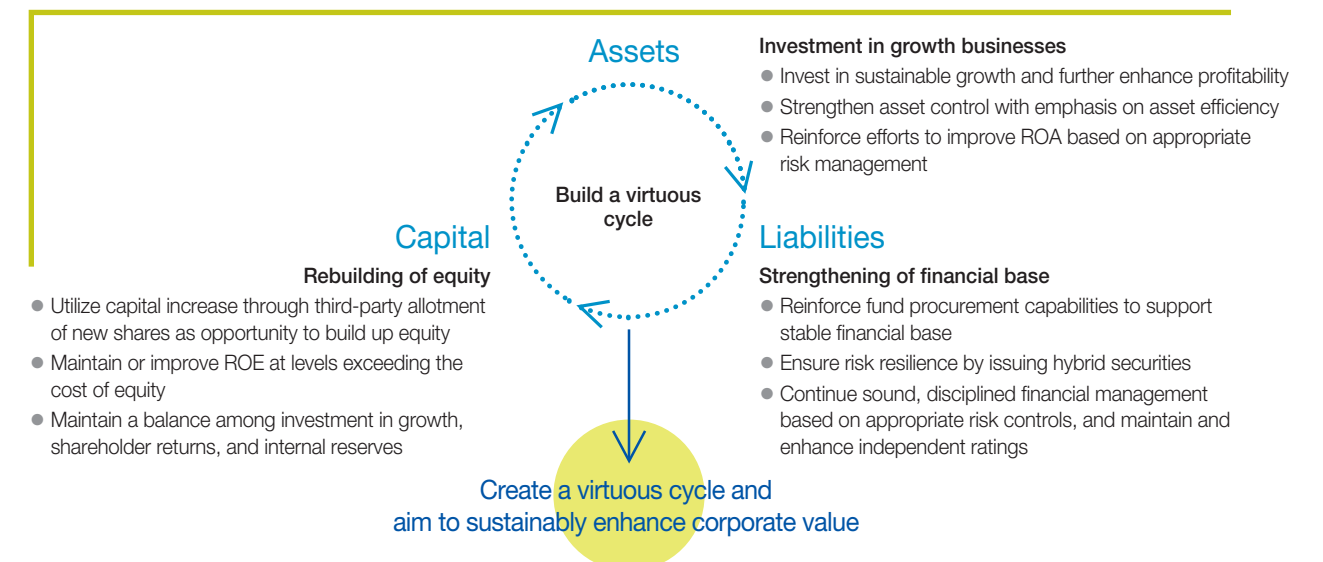
Meanwhile, we have been undertaking a series of large-scale M&A projects, which requires adjustments to ensure financial soundness, so we must strive to strengthen our financial base at the same time. In the course of our current Medium-Term Management Plan, we will maintain a balance between investing in growth businesses, strengthening the financial base, and rebuilding shareholders' equity in order to implement balance sheet management based on an optimal capital structure.

In view of our goals of raising the shareholders' equity ratio from 9.9% as of March 31, 2020 to 12.0%, and maintaining ROE at 12% by the end of the current Medium-Term Management Plan, I believe that our target payout ratio of 30% represents a realistic level of shareholder returns. As for fiscal 2020, we will maintain our annual dividend at ¥136 per share, unchanged from the year before, even as net income is expected to decline to ¥45 billion due to the impact of the COVID-19 pandemic. While this will cause a temporary rise in the payout ratio to 36.9%, we will be guided by our basic policy of providing stable, long-term returns to shareholders as we seek to ensure a balance between our investment in promising businesses and reinforcement of our financial base in a consistent effort to steadily improve the payout ratio.

Status of Fund Procurement

Tokyo Century Group's funding balance (interest-bearing debt) stands at approximately ¥4.3 trillion as of March 31, 2020. Particularly since the start of the Third Medium-Term Management Plan in April 2016, our aggressive business expansion, diversification, and M&As have increased the balance and diversified our fund procurement in terms of currencies and regions. In principle, each Group company procures its own funding based on the characteristics of their respective businesses and markets, although we also provide parent-to-subsidary loans as necessary. The status of fund procurement at Tokyo Century and its Group companies is reported to the Asset Liability Management Committee, which deliberates and decides on policies for funding and hedging market risks, including interest rate and foreign exchange risks. We are exercising extra care in managing liquidity risk in view of the growing ratio of foreign currency-denominated fund procurement that has accompanied our business expansion and M&A projects in recent years. We primarily obtain funding through long-term loans and corporate bonds and secure committed credit lines from financial institutions for Tokyo Century and its Group companies to prepare for any future deterioration in the funding environment. Moreover, we proactively engage in new approaches for bolstering our fund procurement platform. In the past few years, we have addressed the needs of the times and circumstances facing Tokyo Century Group by issuing green bonds and hybrid bonds (subordinated bonds).

Capital Policy and Shareholder Returns Policy



The Future of Our Aviation Business and Market Presence with Stronger Life Cycle Management



When joining Tokyo Century Group, ACG adopted a brand-new corporate logo with the letters "T" and "C" for Tokyo Century and an aircraft taking off toward Japan from the West Coast, U.S., where ACG is located



Tokyo Century's full acquisition of Aviation Capital Group (ACG), a leading U.S.-based commercial aircraft lessor, in December 2019 has enabled us to actively take initiatives in the aircraft operating lease business with a focus on new aircraft

Since our entry into the aviation business through leveraged leases (Japanese Operating Lease), we have been providing aircraft leasing and financing services for more than 30 years. Having an operating life of more than 25 years with proper maintenance, aircraft are an ideal asset for operating leases. We are able to offer

highly competitive operating lease services by utilizing our expertise in predicting future aircraft values with thorough understanding of the secondary market and maintaining strong relationships with OEMs and airlines.

An aircraft can be sold in the market or re-leased

to another airline as long as there is a remaining value-in-use. Therefore, an aircraft operating lease can be defined as a financial service with high collectability of invested capital. From the viewpoint of sustainability, we strongly believe that this business contributes to the realization of an environmentally sound, sustainable economy and society through its support of aircraft's long service and reuse of parts from retired aircraft partout.

The aviation market is expected to show continued growth, and we intend to support the global demand

of air transport by providing highly competitive operating lease services primarily through ACG.

We are committed to strengthening our partnership with ACG and GA Telesis (GAT) to aggressively advance our unique aircraft life cycle management, which covers operating leases for new aircraft, structuring of Japanese operating leases, engine leasing, aircraft parts sales and other services. We will strive to be the leading company in the aviation business by maximizing group synergies to deliver optimal solutions to our customers.

Tokyo Century Group's Aviation Value Chain

Since 2012, we have led the industry in strategically establishing a value chain enabling aircraft life cycle management. We will strive to maximize group synergies by fully deploying our value chain, which has now been bolstered by our full acquisition of ACG

GA Telesis

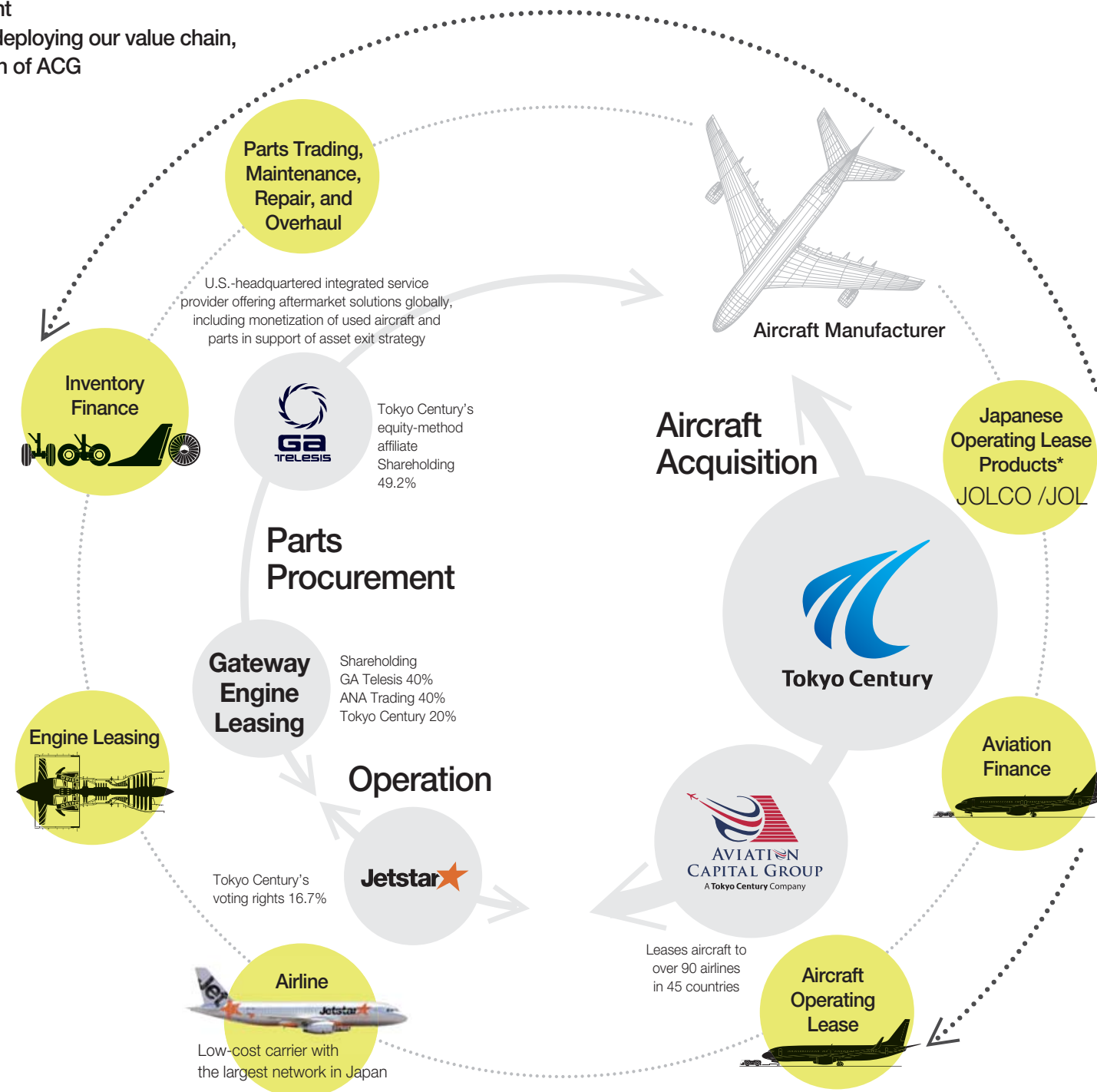
Providing aircraft parts and aftermarket solutions around the world as a key player in the industry



Headquartered in the United States, GAT provides aircraft parts and aftermarket solutions around the world and has built up its unique and important position in the aviation industry.

The rise of LCCs has led to an increase in utilization of aircraft, thereby raising the competitive advantage of GAT, which is engaged in the partout of used aircraft, repairs and sales of engine parts, engine leasing and asset management. The engine business is a particularly promising area as it handles the most expensive component of an aircraft, also backed by the need for spare engines in addition to those installed on aircraft upon delivery.

GAT plays a major role in maximizing Tokyo Century Group's aviation value chain, enhancing our ability to monetize aircraft assets at the end of lease through sales of used aircraft and parts.



* JOLCO/JOL (Japanese Operating Lease with Call Option/ Japanese Operating Lease)
 Japanese Operating Lease for aircraft enables general non-financial companies to participate in the aircraft leasing business through investments in silent partnerships. While JOLCO (Japanese Operating Lease with Call Option) gives the lessees an option to purchase the leased aircraft under certain conditions, JOL does not.

Message from the CEO
 Abdol Moabery
 President and CEO



GA Telesis is a pioneer in the airline parts supply-chain, component, aerostructures and jet engine maintenance, as well as a leader in creating unique financial structures around commercial aircraft, jet engines and component inventories. The world in which we now operate is changing faster than ever before. GAT believes that life cycle management as it relates to all aspects of our business from supply-chain, to maintenance to asset management is becoming more crucial. As a result, we created the GAT Ecosystem™ which is a network of companies providing goods and services throughout the lifecycle of an aircraft or engine. This allows the company to constantly innovate and bring in new products and services that we can integrate into fresh offerings for our customers, who are also part of our ecosystem. This feature is what differentiates GAT from its competitors and ingratiates us with our customers.

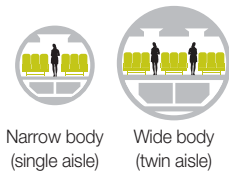
Being a leader in the industry comes with an obligation to serve not only the communities in which we operate but also society as a whole; and we take this very seriously. As a participant in an industry with a large carbon footprint, GAT has contributed by recycling over 200,000 tons of metals over the course of its history. This amount will only grow over time and as a citizen of this great planet, we are doing our part to erase our carbon footprint and then some. I remain confident that GAT is well-positioned for the future. Together with Tokyo Century and ACG, we will continue working to build the most customer-focused, efficient, and innovative aviation company ever — characterized by a strong financial foundation, a leading presence in the markets we serve, focused growth within a strong risk management framework, operational excellence, and highly engaged team members.

Establishment of an Aircraft Engine Leasing Joint Venture
 In 2019, as part of our efforts to expand our aircraft engine leasing business, we established Gateway Engine Leasing, an aircraft engine leasing joint venture with All Nippon Airways Trading, a member of a leading airline group, and GAT, which possesses the required business expertise. We are steadily broadening the scope of our activities to lead the industry.

A Global Company with a Full-Service Aircraft Leasing Platform

Aviation Capital Group

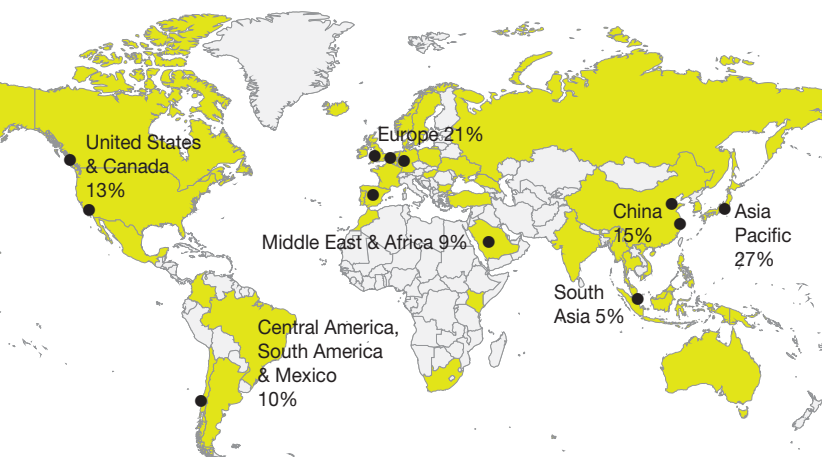
ACG, which became our wholly owned subsidiary in December 2019, celebrated its 30th anniversary as a leading U.S.-based aircraft operating lessor and one of the earliest players in the industry. ACG leases aircraft to over 90 airlines in more than 45 countries and is among the top aircraft leasing companies in the world with approximately 500*¹ owned, managed, and committed aircraft, centered around narrow-body aircraft with high liquidity.



ACG's strength lies in its pricing negotiation capabilities at acquisition, marketing prowess in placing aircraft, specialized expertise related to aircraft repossession acquired by weathering numerous airline bankruptcies over its 30-year history, and a stellar track record of business management based on highly liquid assets and risk controls.

In particular, ACG has ensured the liquidity of its portfolio and its profitability by specializing in narrow-body aircraft such as the Boeing 737 and Airbus A320 series, with demand across the globe for their high versatility. ACG is ranked 11th among global aircraft lessors in terms of number of owned and managed aircraft*².

Ratio of Outstanding Assets by Region (based on net book value)*¹
 ● ACG Global Presence



ACG's full-service platform, including its global network as well as marketing, technical, and asset management functions, has added extensive expertise and knowledge to the aviation business of Tokyo Century Group.

*¹ As of March 31, 2020.
 *² Source: FlightGlobal (Cirium), ACG's publicized materials

Message from the CEO

Khanh T. Tran
 President and CEO

Ideal Partnership with Tokyo Century and GA Telesis

Tokyo Century's experience in aviation prior to its investment in ACG, combined with our similar corporate culture of customer centric, innovation and long-term value makes Tokyo Century an ideal business partner.

Integration has been seamless as Tokyo Century has been an investor since 2017 and we both have gotten to know one another quite well since that time. As Tokyo Century has been an integral part of ACG's business strategy, operations and risk management since 2017, at both the board and operating levels, nothing is new to either side with this change in ownership.

As for the Tokyo Century value chain, ACG's focus is to order, lease, finance and trade predominantly younger, narrow-body aircraft, whereas GAT's focus is on older aircraft, engines, parts, maintenance and service. Together, ACG and GAT can offer complimentary solutions to airlines and aviation investors. We have sold older aircraft to GAT and have worked with them to look at portfolios of aircraft to jointly purchase. They have referred us to opportunities they see that are a better fit for ACG and vice versa. We are looking for more ways to elevate this cooperation between us.

I believe that we can contribute to the further growth of the aviation market by bolstering collaboration among ACG, Tokyo Century and GAT, demonstrating our respective strengths.



“ We will provide solutions for a broad range of customers and investors by maximizing synergies between Tokyo Century, GAT, and ACG. ”

CEO'S Thoughts on the Future

ACG's vision is to be a “WWW” company. It is to be World Class, which we are, Winning, which has been proven over the past 30 years, and most importantly Whole-hearted, which are the people that is ACG. We look for people who are passionate about the business and want to be a part of ACG for the adventure, not just the job. Because the real assets of ACG are the people who make us Winning and World Class.

We provide customers and investors with “InnoViative” solutions. ACG is the only lessor today that can offer airlines both an operating lease and an enhanced credit financing solution (Aircraft Financing Solutions, AFS) for their fleet needs.

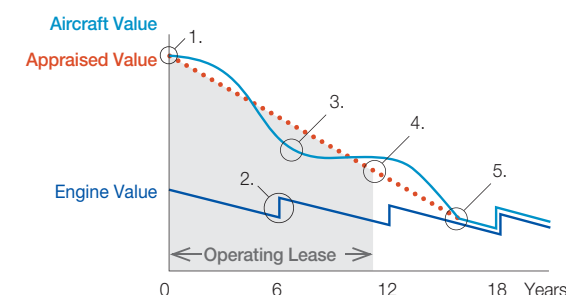
Our operating philosophy is to (i) invest in liquid, high demand aircraft (predominantly narrow-body with a few select wide-body aircraft that are core to airlines and with a large user base) (ii) diversify customer and

credit risks (with approximately 90 customers in approximately 45 countries) (iii) diversify and secure sources of long-term funding (banks, investors, unsecured, secured, US/non-US) (iv) remain investment grade, and (v) diversify our sources of revenues (orderbook, sale-leaseback, trading and AFS).

Like any business, the leasing industry has and will experience business cycles. Supported by our firm management philosophy, expertise, and liquid aircraft, we have not only been able to capitalize on industry downturns, but have also been able to be profitable every year since ACG's inception. We will continue to strive towards further growth based on our steady and sustainable management.

Lastly, we will also continue to exert our utmost efforts as a member of Tokyo Century Group to meet the expectations of the market.

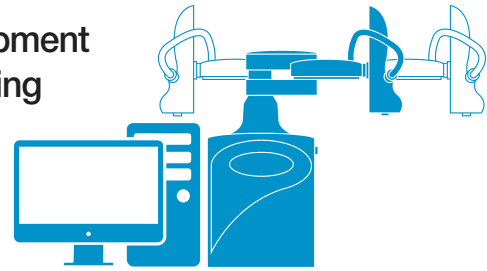
ACG's Strengths



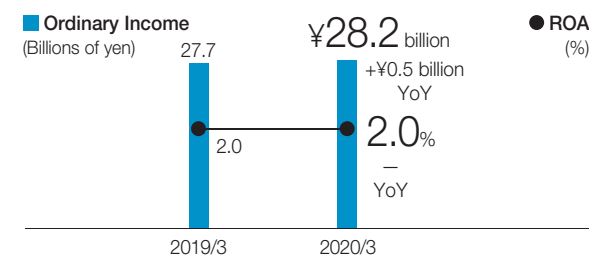
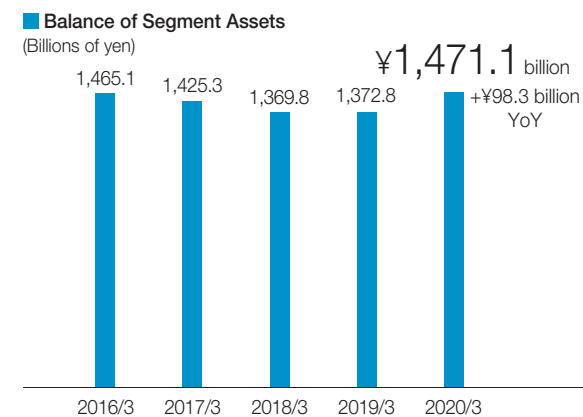
An aircraft can be used for a long period with proper maintenance. For example, the value of an engine is mostly restored after heavy maintenance once every six years. Aircraft leasing requires expertise in a variety of fields, and ACG covers all the necessary elements.

1. High placement ability, capable of securing lessees for orders with Boeing and Airbus several years in advance
2. Dedicated technical team that monitors aircraft condition
3. Repossession and marketing know-how enabling smooth repossession and replacement
4. Diversified customer base
5. Expertise in predicting future aircraft values

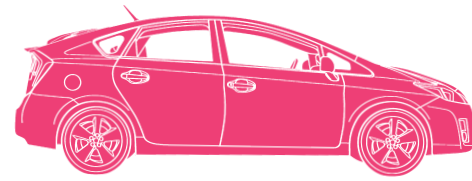
Equipment Leasing



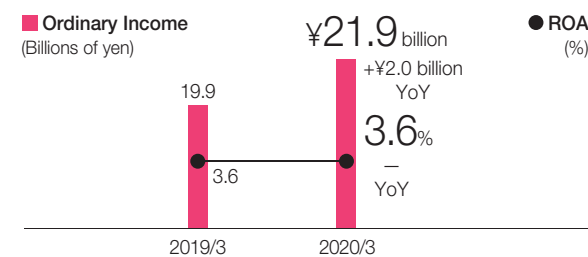
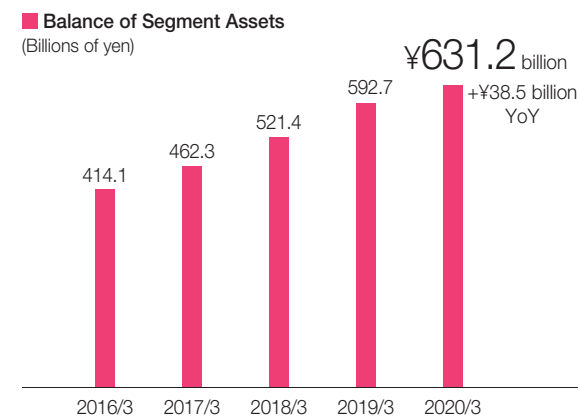
We provide optimal financial services for all types of equipment and machinery, including information and communications equipment, office equipment, factory equipment, construction machinery, and commercial equipment.



Mobility & Fleet Management



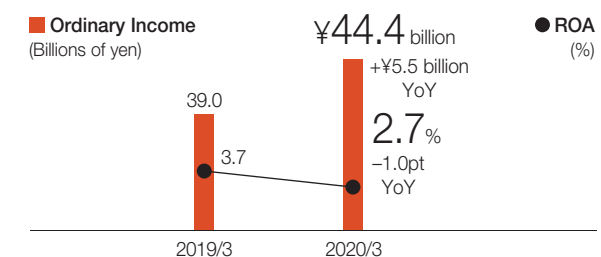
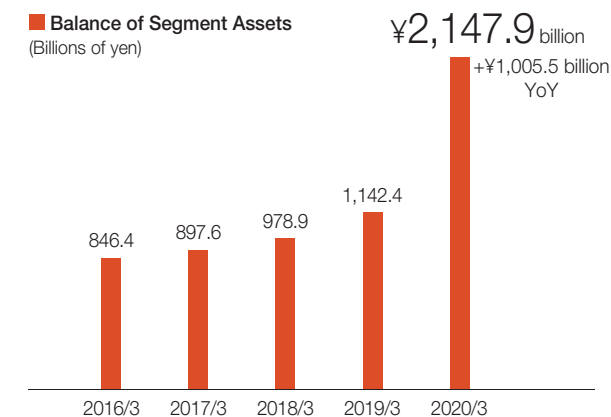
We meet customer needs with quality services from the broad lineup offered by Nippon Car Solutions, Nippon Rent-A-Car Service, and Orico Auto Leasing, which provide auto leasing for both corporate customers and individuals and car rental services.



Specialty Financing



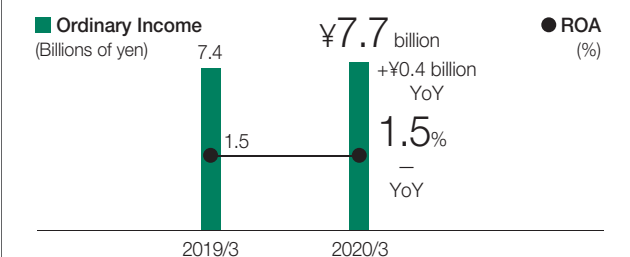
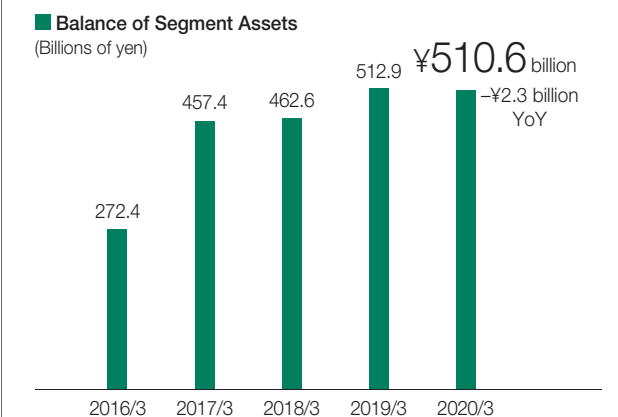
We provide financial services for such fields as shipping, aviation, the environment and energy, real estate, and structured finance by utilizing our highly specialized expertise.



International Business



We are partnering with leading local companies and financial institutions overseas promoting alliance strategies to provide specialized services on a global scale to address unique local needs.



Business Highlights

- Broad base of excellent customers
- Strength in providing financial services targeting information and communications equipment centered on an alliance with Fujitsu
- In addition to developing joint ventures with leading partners including NTT, Fujitsu, IHI, and Amada, we explore new financial services such as subscription
- Established NTT TC Leasing by carving out the leasing and global businesses of NTT Finance, as the first step under a business alliance with the NTT Group

Business Highlights

- Nippon Car Solutions (top tier in the sector): auto leasing company for corporate customers owned by Tokyo Century (59.5%) and NTT (40.5%); strengths lie in a broad customer base centered on its shareholders and quality fleet services
- Nippon Rent-A-Car Service (top tier in the sector): car rental company owned by Tokyo Century (89%) and ANA Holdings (11%); offering services at 833 nationwide branches primarily in large cities and near airports and bullet train stations (as of March 2020)
- Orico Auto Leasing (top tier in the specialized individual auto leasing sector): auto leasing company for individuals owned by Tokyo Century (50%) and Orient Corporation (50%)

Business Highlights

- Aviation: converted a major U.S.-based aircraft lessor ACG into a wholly owned subsidiary that boasts 324 owned and managed aircraft (as of March 31, 2020) and provides aircraft life cycle management in collaboration with GAT, whose strength lies in sales of aircraft parts
- Real estate: collaborating with major partners to provide financial services for real estate projects in Japan and overseas. Converted Shinko Real Estate, a comprehensive real estate company, into a consolidated subsidiary in 2018
- Environment and Energy: Kyocera TCL Solar LLC operates solar power generation plants on one of the largest scales of such operations in Japan, with 76 locations and power output totaling 316MW (as of March 31, 2020)

Business Highlights

- A solid business operation that draws on the customer base and credit analysis skills of local alliance partners
- Strengths lie in financial services provided through a global network encompassing more than 30 countries and regions
- CSI (Tokyo Century's wholly owned subsidiary), whose strengths lie in IT equipment leasing, expanded its business base in the United States and Central and South America, reporting ordinary income of US\$65 million in FY2019
- Converted API, a U.S. leasing and financing company with a focus on work trucks and vans for package delivery, into a wholly owned subsidiary in November 2019.

Equipment Leasing



Increasing value in the leasing business and expanding creative ventures with prime partners to create an environmentally sound, sustainable economy and society

Current Status

Strengths	Opportunities	Risks
<ul style="list-style-type: none"> Broad customer base Flexible, diverse services and solutions developed in collaboration with manufacturers and dealerships Assessment of asset value and asset management 	<ul style="list-style-type: none"> Expansion of high-value-added businesses based on closer relationships with prime partners Increased business opportunities arising from advances in digital technologies such as the dissemination of 5G and IoT Next-generation financial services addressing the SDGs that arise from widespread establishment of digital transformation such as subscription services 	<ul style="list-style-type: none"> Information security risk Business risk due to expansion of business domain beyond financing Governance risk arising from expansion of Group companies Natural disaster risk caused by pandemics such as COVID-19 and abnormal weather

New Fourth Medium-Term Management Plan

Boost value of leasing business and adapt to digital transformation

- Boost value of leasing business and accelerate business co-creation
- Create new business domains in response to digital transformation
- Optimize organization and improve operational efficiency to suit changes in business style

Business Strategy and Specific Initiatives

- As the first step of the capital and business alliance with NTT, establish a joint leasing and financing venture (NTT TC Leasing) to seize opportunities in the promising asset business
- Expand business in specialized domains through collaboration such as ITOCHU TC Construction Machinery and Amada Lease with prime partners
- Create new services and businesses leveraging digital technologies in collaboration with Bplats and others



Koichiro Sato
 Managing Executive Officer
 President, Equipment Leasing Business Development Unit

We are striving to boost the value of our leasing business by enhancing solutions and service functions of our mainstay leasing business. At the same time, we are working on generating dynamic, sustained growth through broader creative ventures with prime business partners such as the NTT Group.

We remain committed to creating new business domains that meet the needs of digital transformation,

as exemplified by the IoT subscriptions marketplace business launched in March 2019 through an alliance with SORACOM and Bplats.

Moreover, to continue contributing to an environmentally sound, sustainable economy and society, we will accelerate the reuse of assets at the end of their leases and promote renewable energy projects.

Promotion of Business Collaboration with Partner Companies

Capital and Business Alliance with NTT



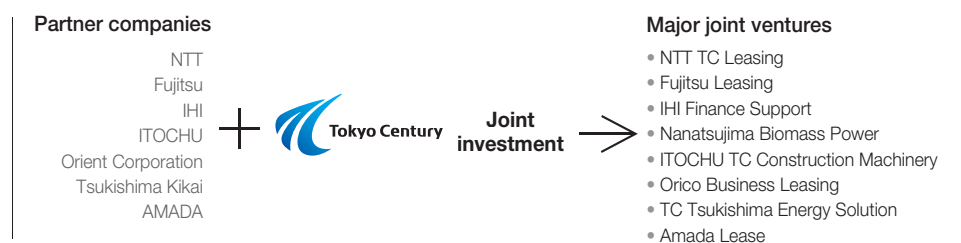
- Robust customer base in Japan and overseas
- Global brand recognition and excellent human resources
- World's top-class R&D capabilities

- Specialized financial expertise
- Evaluation of asset value and asset management
- Flexible and diverse services and solutions

Tokyo Century: Invests 50% in capital of new joint venture NTT TC Leasing
 NTT: Acquires 10% of Tokyo Century stock (third-largest shareholder of Tokyo Century)

Business Alliance System for Equipment Leasing

Joint Ventures with Partner Companies



- Partner companies
- NTT
 - Fujitsu
 - IHI
 - ITOCHU
 - Orient Corporation
 - Tsukishima Kikai
 - AMADA

- Major joint ventures
- NTT TC Leasing
 - Fujitsu Leasing
 - IHI Finance Support
 - Nanatsujima Biomass Power
 - ITOCHU TC Construction Machinery
 - Orico Business Leasing
 - TC Tsukishima Energy Solution
 - Amada Lease

New Initiatives



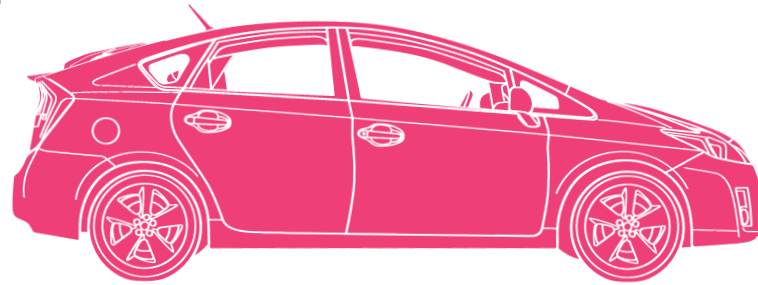
Joint investment vehicle

JFE Engineering

Tokyo Century

J&TC Frontier
 Create new business fields
 Invest in companies with advanced and innovative technologies

Mobility & Fleet Management



Meeting diversifying automotive needs through unrivaled quality of service and collaboration with business partners

Current Status

Strengths	Opportunities	Risks
<ul style="list-style-type: none"> Leading the industry by providing a full range of mobility services (auto leasing, car rental, and car sharing) Providing telematics, BPO, and other high-quality, next-generation services Collaborating with varied business partners across industries, including the NTT Group and the ITOCHU Group 	<ul style="list-style-type: none"> Spread and expansion of the car sharing business due to the shift in customers' automotive needs from ownership to use Creation of new services in response to technological advances such as EV and telematics as well as diversifying demand for mobility that helps to achieve the SDGs 	<ul style="list-style-type: none"> Competition may intensify in both hardware and software from rivals such as new entrants from outside the industry The price of used cars may fluctuate due to the fast pace of technological advances that can depress fleet value as models become rapidly outdated or due to changes in the export markets for used cars The need for mobility may fall significantly in the wake of COVID-19 or natural disasters

New Fourth Medium-Term Management Plan

Grasp changing times as an opportunity to pursue mobility services that go a step further

- Enhance customer value and brand power with unrivaled quality of service
- Pursue channel and segment strategies aimed at expanding business base
- Take innovative initiatives for a new era
- Strengthen Group management systems to support business expansion

Business Strategy and Specific Initiatives

- Overall: Develop businesses with an eye on the growing spread of EV; take on the challenge of creating new digital mobility services
- NCS: Expand profit by providing optimal services that cater to customer characteristics and market needs
- NRS: Promote differentiation from competitors by introducing self-rental car and other services that boost customer convenience
- OAL: Expand auto leases for individuals by strengthening the KOALA CLUB agency organization



Masato Osugi

Managing Executive Officer
President, Mobility Business Development Unit

Mobility & Fleet Management provides a full range of mobility services, from auto leasing to car rental and car sharing, for corporate customers and individuals. The core Group companies in the segment are Nippon Car Solutions, Orico Auto Leasing, and Nippon Rent-A-Car Service.

The automotive industry is in the midst of a once-in-a-century period of transformation, and businesses offering

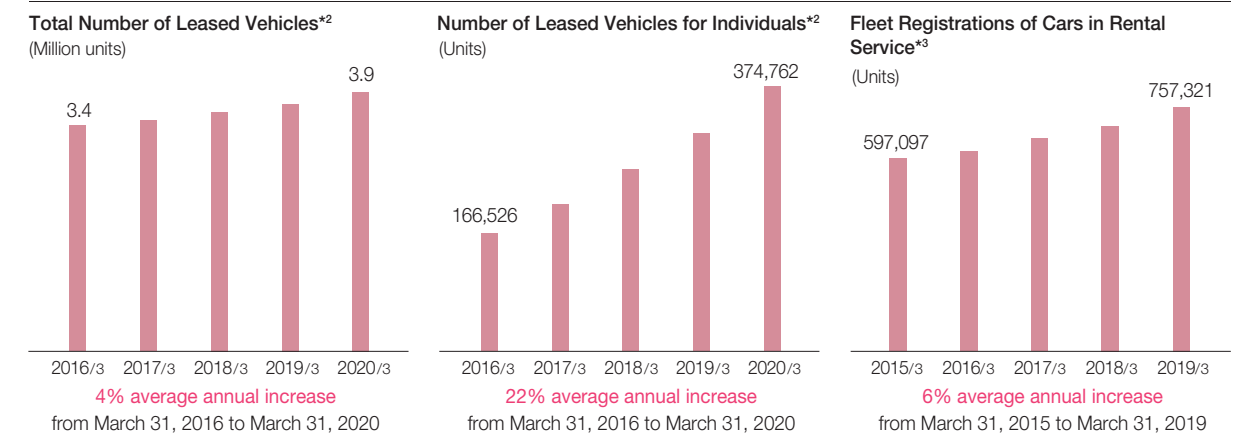
unprecedented added value or based on new ideas are emerging almost daily. In addition to enhancing its full range of services, Tokyo Century seeks to develop a completely new profit base in collaboration with powerful partners such as NTT and ITOCHU, with the keywords of digital, mobility, and EV under the New Fourth Medium-Term Management Plan.

Performance of Mobility & Fleet Management Companies

	Main business	Ordinary Income (Billions of yen)			Segment Assets (Billions of yen)		
		FY2018	FY2019	Average annual increase	March 31, 2019	March 31, 2020	Average annual increase
Nippon Car Solutions	Corporate auto leasing	11.8	11.8	-0%	368.2	378.5	2.8%
Nippon Rent-A-Car Service	Car rental	5.2	5.8	11%	47.3	52.8	11.5%
Orico Auto Leasing	Individual auto leasing	2.5	4.1	65%	189.7	210.7	11.0%
Total*1		19.5	21.7	11%	605.3	641.9	6.1%

*1 Simple sum of the three companies

Data Related to Automotive Business in Japan



Sources: *2 Japan Automotive Leasing Association (as of June 2020)

*3 Ministry of Land, Infrastructure, Transport and Tourism (as of June 2020)

Specialty Financing



Pursuing professionalism and leaping beyond expectations toward greater business sophistication

Current Status

Strengths

- Personnel with expertise and an innovative spirit
- World's top-class aviation business
- Active pursuit of sustainable growth and SDG-related businesses in collaboration with prime corporate partners

Opportunities

- Profit opportunities arising from recovery and growth in the aviation market
- Growth in new environments and energy businesses such as virtual power plants (VPPs)
- Increasing needs in SDG-related businesses

Risks

- Unexpected changes in the aviation, shipping, and real estate markets
- Fluctuations in energy output caused by major natural disasters
- Outflow of highly specialized personnel

New Fourth Medium-Term Management Plan

Further refine businesses with expertise and creativity

- Maximize the value chain in collaboration with partners
- Develop new businesses in response to changes in the operating environment
- Build an organizational platform and infrastructure in accordance with global standards
- Ensure post-merger integration and governance of acquired companies

Business Strategy and Specific Initiatives

- Maximize the aviation value chain centered on ACG, which possesses highly sophisticated expertise in managing the aircraft leasing business, while also encompassing Tokyo Century's customer network and GAT
- Develop a one-stop service for real estate with Shinko Real Estate and other close partners in Japan and overseas
- Strengthen the principal investment business under a strategic alliance with Advantage Partners by sharing customer bases and financial facilities
- Expand the renewable energy business, such as through investments in solar power generation and storage batteries, in collaboration with prime corporate partners, including Kyocera, Kyudenko, and the NTT Group
- In the short term, focus on risk management to minimize the impact of COVID-19



Koichi Nakajima

Deputy President, Executive Officer
President, Specialty Finance Business Development Unit

This marks the first year of the New Fourth Medium-Term Management Plan, and instead of allowing us to rest on our laurels, I have sought to revisit our initial aspirations and renew my commitment to vigorously take on the challenges of creating new business domains and business models from scratch.

To that end, I seek to encourage each employee's spirit of challenge and imagination while establishing a firm footing in terms of organization and systems before advancing together, by harnessing the intelligence and strengths of all employees.

In particular, I remain strongly mindful of ESG and the SDGs as we actively engage in a wide range of initiatives for the environment and energy. Our strategic alliance with Advantage Partners has kick-started the principal investment business, which we intend to develop into the fifth pillar of our business along with our four existing operating segments.

Meanwhile, we are bolstering our efforts with respect to aviation, real estate, and other products while also further expanding their business range.

Business Products and Growth Drivers of Specialty Financing

Shipping



Focusing on highly profitable ship finance and ship ownership operations through cooperative ties with core partners

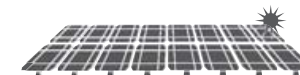
Aviation



Expanding the aviation business by turning the U.S.-based aircraft lessor Aviation Capital Group into a wholly owned subsidiary

Reinforce aircraft life cycle management and maximize synergies within Tokyo Century Group and across every aspect of the aviation business

Environment and Energy



Develop the renewable energy business with prime partners centered on Kyocera and launch new collaborations with the NTT Group to pursue prospects in next-generation energy businesses that benefit society and local communities, such as non-FIT power generation, VPPs, and micro-grid business

Real Estate



Continue promoting the alliance centered on Shinko Real Estate, with Kobe Steel and Nippon Tochi-Tatemono

Seize investment opportunities with high added value and contribute to society by developing diverse businesses with close partners in Japan and overseas

Structured Finance



Strengthen the principal investment business through a strategic alliance with Advantage Partners

New Products



Explore new businesses that help address social issues from the standpoint of ESG and the SDGs

International Business

Driving the digital mobility revolution through strategic alliances with excellent global companies



Current Status

Strengths	Opportunities	Risks
<ul style="list-style-type: none"> ● Extensive global network across more than 30 countries and regions ● Partnerships with excellent local companies in each region ● Life cycle management (LCM) services for IT and other equipment, including Fair Market Value (FMV) leases and IT Asset Disposition (ITAD) ● Advanced initiatives for environment-related businesses that help achieve the SDGs 	<ul style="list-style-type: none"> ● Rising demand for financial services accompanying the development of the global economy, including population growth ● ICT-related investments and growing information security needs arising from advances in 5G and IoT ● Opportunities created by the mobility revolution ● Globally increasing environmental awareness 	<ul style="list-style-type: none"> ● Global economic slump caused by the impact of COVID-19 ● Slowdown in growth of economies, industries, and markets due to international political and economic uncertainty ● Rapid fluctuations in foreign exchange rates and interest rates ● Securing personnel for developing overseas business

New Fourth Medium-Term Management Plan

Respond to expansion of the digital economy and mobility revolution

- Collaborate with excellent companies through strategic alliances
- Pursue broader and deeper business related to FinTech and mobility

Business Strategy and Specific Initiatives

- | | |
|--|---|
| <ul style="list-style-type: none"> ● Collaborate with excellent local companies in each country to expand and deepen the business base and bolster highly profitable solution businesses including FMV leases and LCM services ● Promote environment-related projects that help achieve the SDGs such as the Joint Crediting Mechanism (JCM) | <ul style="list-style-type: none"> ● Collaborate with digital platforms to enter new businesses in the areas of FinTech and digital finance ● Expand automotive businesses in response to the mobility revolution and in collaboration with partner companies |
|--|---|



Toshio Kitamura

Managing Executive Officer
President, International Business Development Unit

Across our global network of more than 30 countries and regions, professionals in each region are providing financial services that meet diverse customer needs.

We deliver competitive services through alliances with excellent companies in each country, FMV leases based on global standards, and ITAD* services that meet the end-of-lease data security needs of IT equipment as well as differentiated products and services associated with the global automotive businesses arising from Mobility & Fleet Management.

In addition, we assist Japanese companies in expanding their responses to global warming and low-carbon technologies and promote the JCM projects that contribute to the economic development of partner countries. We will contribute to an environmentally sound, sustainable economy and society through these activities and with life cycle management services of the leasing business.

* IT Asset Disposition

Expansion in Non-Japanese Businesses through Promotion of Strategic Alliances

U.S.A.



World-class IT solutions based on the expertise and global network of CSI Leasing, which has strengths in IT equipment



TCUSA and AP Equipment Financing provide lease and financing for work trucks and vans for package delivery that require specialized knowledge

Singapore



Automotive business alliance with Singapore-based Grab Group

Indonesia



Joint vendor financing venture with Hitachi Construction Machinery Group



FinTech business with Lippo Group, a major conglomerate

Thailand



Leasing and auto leasing businesses with TISCO Financial Group, a leading local banking group



Joint vendor financing venture with Hitachi Construction Machinery Group

China



Joint leasing company with Dalian Bingshan Group, the largest refrigeration and air-conditioning equipment manufacturer

Taiwan



Leasing business with Uni-President Enterprises Group, the largest food and distribution company group

Philippines



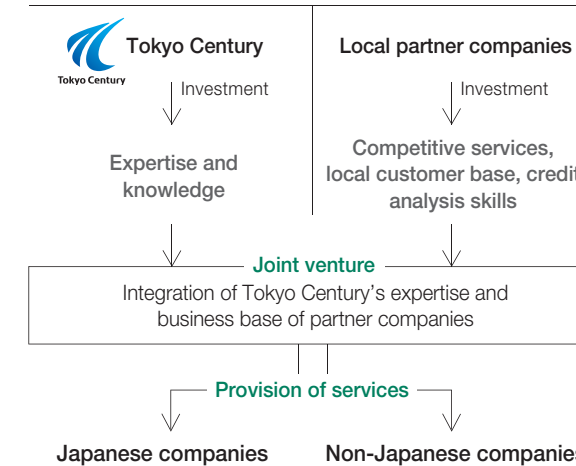
Leasing business with Bank of the Philippine Islands, a leading bank

Myanmar



Acquired shares in major auto leasing company Yoma Fleet

Business Model in the International Business



Our Approach to Sustainability

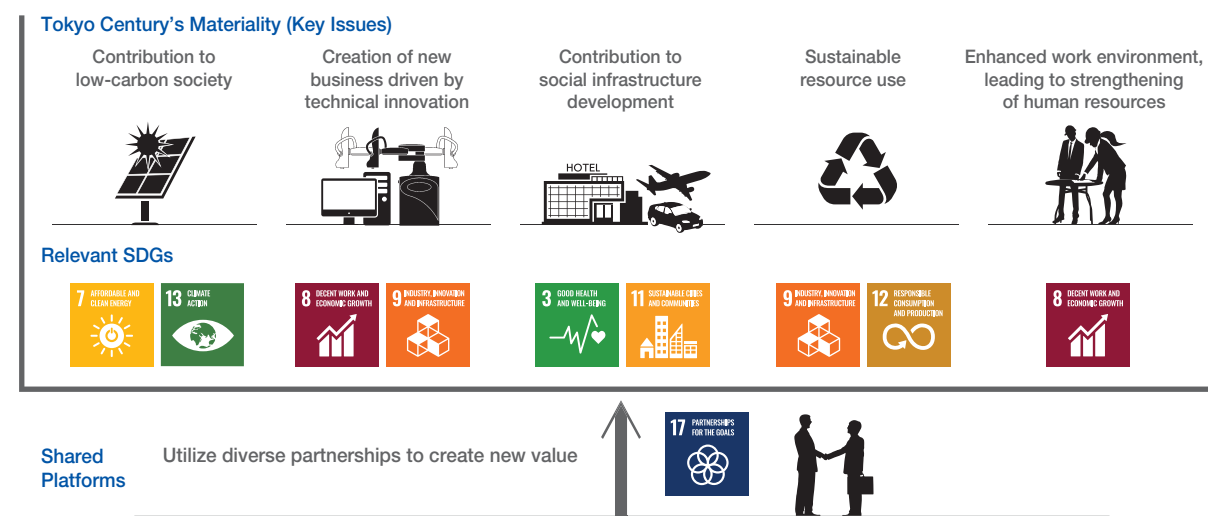
Tokyo Century's commitment to sustainability is driven by its pursuit of sustainable development and higher corporate value along with customers as a financial services company, and we therefore contribute to the creation of an environmentally sound, sustainable economy and society. In promoting sustainability management, we envision, with due consideration of the SDGs, a society 10 to 20 years into the future and then take a backcasting approach toward creating financial services that will meet the needs of that time.



Tokyo Century's Materiality

Tokyo Century determined what its five areas of materiality are by examining the degrees of priority favored by our stakeholders from the perspective of the SDGs and also that for the company, taking into account our business characteristics and highly flexible business environment. In fiscal 2018, we created a system for deliberating and reporting on our sustainability action

plans and progress to the Sustainability Committee and established a reporting mechanism focused on key issues identified in a Management Meeting and by the Board of Directors. Going forward, we plan to designate KPIs for each materiality and operate a company-wide PDCA cycle to quantitatively assess our level of attainment toward reinforcing our sustainability management further.

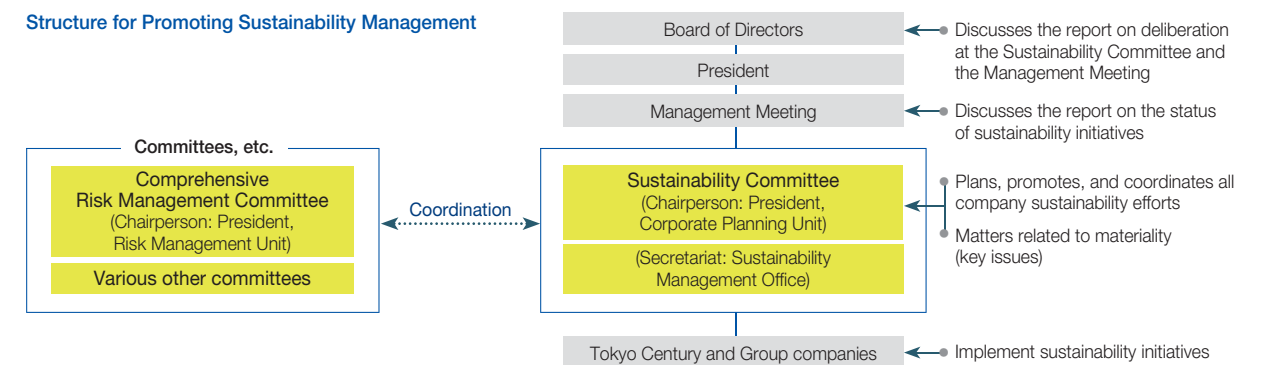


Sustainability Road Map

For our New Fourth Medium-Term Management Plan, we formulated a road map that serves as the vision for our medium-term initiatives. In fiscal 2020, our goal is to establish a foundation for promoting sustainability management through such measures as determining KPIs for our materiality and raising company-wide awareness. In fiscal 2021, we are taking on the challenge of advancing our sustainability management by addressing issues such as climate change risks. In fiscal 2022, the final year of the plan, we intend to put the final touches

on achieving our targets and also conduct a review for the following medium-term management plan. The Sustainability Committee has deliberated and decided on a Group-wide sustainability policy that also addresses ESG. Applying the policy, the Sustainability Management Office (secretariat) will cooperate with the divisions associated with each issue to develop and promote concrete actions. The status of these initiatives will be periodically reported in the Management Meeting and to the Board of Directors.

Structure for Promoting Sustainability Management



Roundtable on Sustainability

The Sustainability Management Office was established in April 2018 as a heightened interest in ESG and the SDGs was significantly transforming the way business strategies were impacted through engagement with certain social issues. The office is aggressively spearheading Tokyo Century Group's drive for sustainability management. Also, staff on the ground offer progress reports on their activities and share their views.

Employee Awareness of Sustainability

Yuichi Okade
Deputy General Manager, Sustainability Management Office
Assisting in the resolution of social issues has been incorporated into the New Fourth Medium-Term Management Plan, and I feel there is a heightened awareness of sustainability management among employees. From here on, the extent to which each of us takes personal responsibility for these issues will be the most important factor in firmly establishing sustainability management.

Chisa Unno
Manager, Sustainability Management Office
In the previous fiscal year, we worked with the Personnel Division to organize sustainability training, which I think



Yuichi Okade Chisa Unno Akira Yamazaki

deepened understanding of the work done by the Sustainability Management Office.

Akira Yamazaki
Hiring and Training Group, Personnel Division

Speaking for myself, while I understood what we meant by sustainability and the SDGs, I do not think I fully appreciated the concrete implications until I became involved in sustainability training. I would be grateful if

the training has given the participants an opportunity to deepen their understanding of how Tokyo Century addresses its materiality and if they turn their attention to sustainability management.

Okade:

Tokyo Century top management is deeply aware of the significance of ESG and the SDGs, leading the way. In the New Fourth Medium-Term Management Plan, the five materiality issues were reiterated along with the activities for creating new value through diverse partnerships, which serve as a shared platform. We also began to include materiality notations and environmental assessments in the meeting agenda for the Board of Directors in the hope of conveying Tokyo Century's commitment to addressing ESG and social issues.

Unno:

We simultaneously publish English and Japanese versions of our in-house newsletter, Sustainability News. By conveying information to our affiliates both in Japan and overseas, we seek to raise awareness of sustainability management throughout the Group.

Approach to Sustainability and Future Initiatives

Unno:

I feel that sociality holds the key. With any number of social issues, including regional revitalization, it is important that they be connected to a profitable business for Tokyo Century. Thinking through how we could contribute to society by developing a new

“
I hope everyone regards the SDGs as a given rather than something special, and incorporates them as a standard for making decisions in our daily work.”

Yuichi Okade

business that generates a solid profit would ultimately lead to sustainable growth.

Okade:

We probably need to adopt the mindset of pursuing sustainability not as something special but rather as a given. The frontlines of sales are experiencing an increasing number of instances in which the SDGs crop up in conversation and customers ask for advice in this area, and so employees realize that the SDGs are directly linked to our business. This is a welcome development.

Yamazaki:

An enhanced work environment that leads to strengthening human resources is another important materiality. In the previous fiscal year, we established a teleworking environment through measures such as changing the office layout, and we introduced a system for working from home. These workstyle reform measures also made me aware of how the company is evolving. I believe these types of visible changes, as well as infrastructure development, are also important for expanding sustainability management in the organization.

Okade:

In our latest efforts, we visualized specific initiatives for promoting materiality by plotting them on a road map. We will establish a PDCA cycle that includes consideration for

setting KPIs. And we are promoting a broad range of items and will cooperate with the relevant divisions to make as much progress as possible over the next three years so we can determine how advancing sustainability management actually enhances corporate value. With regard to our achievements over the three-year period, we will seek external opinions and apply them in the development of our sustainability strategy for the next medium-term management plan by incorporating the perspectives and assessments of third-party experts.

Sustainability to Ensure the Company Lasts a Century

Unno:

Our Management Philosophy declares that we will contribute to the creation of an environmentally sound, sustainable economy and society. Originality is important in order to ensure that Tokyo Century serves not only the needs of our generation but also those of our children and other future generations. Tokyo Century Group's customers include many outstanding companies engaged in solid partnerships with the Group. I think we will be able to develop even further

“
Each employee is a stakeholder in more than one way. We can connect diverse perspectives to create new businesses.”

Chisa Unno

“
I want to support the development of highly diverse human resources who have the ability to evolve the company in line with social change.”

Akira Yamazaki

by heeding the voices of our partner companies and consistently delivering original solutions. We work at a company, but at home we are members of a local community, so each of us is a stakeholder in more than one way. And I believe that we can achieve sustainable growth by skillfully connecting diverse perspectives with new businesses and business models.

Yamazaki:

To become a company that lasts a century, it is important for each employee to think about our organization, society, and customers, and for Tokyo Century to evolve itself in line with social change. I would like to drive that transformation by hiring personnel and providing more education and training systems.

Okade:

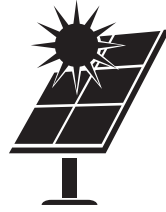
As we expand sustainability management, I hope we can ultimately pursue sustainability in a way that embodies our unique corporate character and raise it to the level of the “TC-WAY”, an essential value of Tokyo Century Group. Following the TC-WAY as our shared platform to become a financial services company still needed for the next 50 or 100 years while adopting the change is a major goal of the Sustainability Management Office. To accomplish that, we intend to continue as a driver of sustainability management.





Sustainability Highlights

Preventing Global Warming by Advancing the Joint Crediting Mechanism



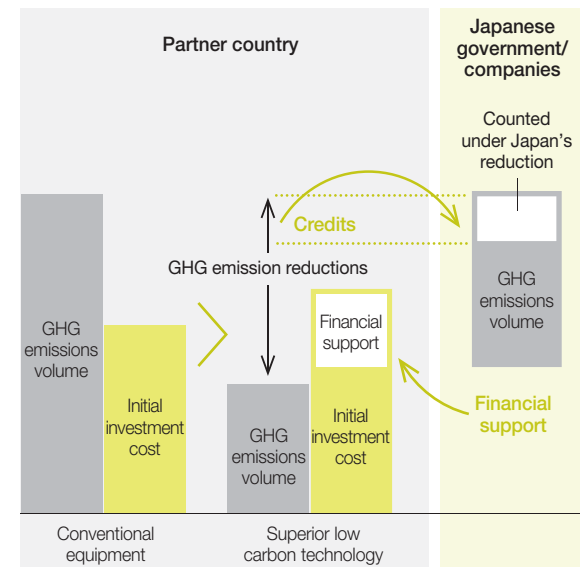
Contribution to low-carbon society

Contribution to social infrastructure development



The Joint Crediting Mechanism (JCM) facilitates the introduction of Japan's superior low carbon technologies by providing subsidies for part of the installation cost to help reduce greenhouse gas (GHG) emissions and establish a sustainable social infrastructure in partner countries. At the same time, the system enables crediting some of the reduction in GHG under Japan's emissions. Tokyo Century is the only Japanese financial services company that serves as a representative participant of the JCM model project.

Concept of the Introduction of Low Carbon Technology Utilizing the JCM



SAHA Group Industrial Park, Sriracha, Chonburi Province
114 kilometers from Bangkok

a. Thailand

FY2018 Project

25MW Rooftop and Floating Solar Power Project in SAHA Industrial Park

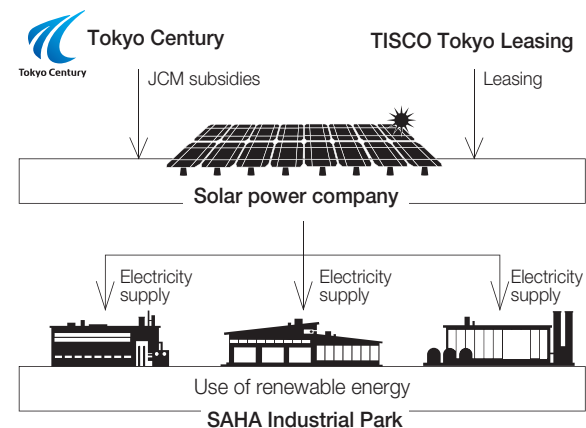
Photovoltaic (PV) systems are being installed as a JCM model project in an industrial park operated by the SAHA Group in Chonburi Province, Thailand. They are scheduled to start operation in FY2020.

Tokyo Century acts as the representative participant of the project, and TTL*1, a joint venture between Tokyo Century and the TISCO Financial Group, will install the solar power generation equipment by lease financing, with a capacity of 25MW, on the rooftops of the factories and the reservoir in an industrial park. All of the generated power will be purchased by SPI*2, a core company of the SAHA Group, and supplied to companies located in the industrial park.

*1 TISCO Tokyo Leasing
*2 SAHA Pathana Inter-Holding

JCM Advantages for the SAHA Group

The SAHA Group, Thailand's largest consumer products conglomerate, is involved in numerous partnerships with Japanese companies. Thailand depends on natural gas to meet approximately 70% of its energy needs, with coal-fired power (about 20%) and hydraulic power and renewable energy (about 10%) supplying the rest. In light of the national power development plan, renewable energy is projected to be at least 30% of the total energy production by 2037. The SAHA Group intends to develop a system to meet electric power demand through renewable energy generated by themselves. Tokyo Century plans to contribute to the SAHA Group's Green Facilities concept for its industrial park by providing optimal financial services based on the JCM.



VICHAJ KULSOMPJOB
PRESIDENT
SAHA Group

As a true pioneer in an industrial park development, the SAHA Group has been creating jobs and harmony among local communities, factories, workers, and all stakeholders.

Tokyo Century Group has been playing an important role in introducing the clean source of energy at our industrial park by supporting the 25MW solar rooftop project under the JCM. SAHA Group with its Japanese partner companies, along with hundreds of factories and thousands of households in the surrounding communities, will benefit from the long-term project.

We believe that the future is very bright and promising for all manufacturing-related businesses that embrace environmentally friendly concepts in their strategy. In future, every product from the SAHA Group will be produced using recyclable raw materials with lower greenhouse gas emissions.

In the 1970s, we introduced the Green Facilities concept and have sought to establish the idea throughout the industrial park in Sriracha, while our sustainable model has been highly recognized by many government agencies.

Once we successfully complete the 25MW solar rooftop project, we can pursue other renewable energy projects that incorporate advanced technologies and integrated energy distribution systems as the next step in our collaboration with Tokyo Century Group.

JCM Projects in which the Tokyo Century Group Serves as the Representative Participant

Philippines

FY2017 Projects

b. Installation of 1.2MW Rooftop Solar Power System in Refrigerating Warehouse

A solar power system was installed on the rooftop of the refrigerating warehouse to supply power to the warehouse owner and reduce CO₂ emissions by replacing some power from the grid.



c. Introduction of 1.53MW Rooftop Solar Power System in Auto Parts Factories

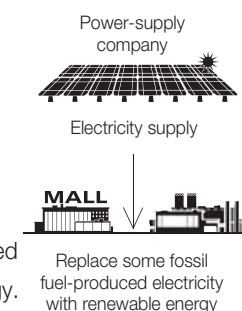
Rooftop solar power systems were installed on the rooftops of two factories. Electricity generated is used for their power consumption and to reduce CO₂ emissions by replacing some power from the grid.



FY2019 Project

d. Solar Power Project in Collaboration with Local Power-supply Company

A solar power system was installed on the rooftops of shopping malls and factories. Reduction of CO₂ emission is made by replacing some conventional fossil fuel-produced electricity with renewable energy.



Takashi Aoki

Deputy Manager, International Products Development Division

Tokyo Century has been working with the TISCO Financial Group, our alliance partner, to devise optimal financial services utilizing the JCM to support the SAHA Group's goal of shifting to a smart industrial park. Tokyo Century possesses the experience and expertise required to meet diverse customer needs. This includes the ability to provide financial services that constitute a vital component of any JCM project, a track record of collaboration with outstanding Japanese manufacturers, and proven experience in operating a solar power business. We will continue to play our part in realizing a low carbon society and developing social infrastructure by applying the JCM to promote environmental and energy businesses in countries and regions where Tokyo Century Group maintains business sites.



Indonesia

FY2017 Project

e. Introduction of Absorption Chiller to Chemical Factory

An absorption chiller manufactured in Japan was installed in a chemical factory to produce chilled water from wasted steam, thus reducing the power consumption of electric chillers and GHG emissions.



FY2018 Project

f. Introduction of High Efficiency Injection Molding Machine to Plastic Parts Factory

High efficiency injection molding machines manufactured in Japan were installed in plastic parts factories in two locations. Replacing many conventional machines with high efficiency machines leads to reduced energy consumption and GHG emissions.



Human Resources

We will create an environment in which individuals can fully demonstrate their talents based on mutual respect

Enhanced work environment,
leading to strengthening
of human resources



Toshiyuki Otobe
Executive Officer

Deputy President, Personnel Unit
Deputy President, General Affairs Unit

An Experienced Group of Specialists

Over the past 11 years, Tokyo Century has enjoyed sound growth in its earnings. This has been the result of powerful leadership and the constructive efforts of each and every officer and employee who has sought to address changes in the business environment and new customer needs by drawing on his/her experience while also developing his/her skill. On the whole, our employees can be characterized as specialists who diligently enhance their imagination and creativity and value teamwork.

For Tokyo Century to continue evolving and boosting its organizational capabilities in these times of rapid change, each organization must fulfill its respective role by adopting a Company-wide perspective. The foundation on which we can raise our organizational capabilities is the establishment of a workplace atmosphere that allows each and every officer and employee to forge sound and favorable relationships and to engage in a free and open exchange of ideas. Meanwhile, employees are expected to maintain

their professionalism and acquire a sense of management. As an officer responsible for the personnel unit, I will continue to focus my utmost effort on creating working environments and programs that enable all officers and employees to work with enthusiasm.

Raising Employee Engagement and Practicing Health and Productivity Management

We conducted an employee awareness survey in response to the Work Style Reform Law that has come into force in stages since April 2019. While our engagement ratio was higher than the average for Japanese companies, raising employee engagement is a key management concern for maintaining corporate growth in the years ahead. Survey results were discussed as a priority topic during officer training in July 2019 and used for analyzing the issues at hand and determining future initiatives. Consequently, we have begun to roll out programs specifically tailored for Tokyo Century, such as hourly paid leave and staggered work hours, more stringent management of work hours, encouraging employees to take paid leave, and the introduction of telework and other programs. We will continue to pursue these efforts to raise engagement.



“ I will strive to nurture a corporate culture that encourages every employee to work with a sense of pride and happiness. ”

Amid major changes underway in the business environment, employees themselves must also seize the initiative to develop their careers and skills. In view of this, we conducted a personality test of all employees in May 2019. The test enabled individuals to reflect on their strengths and weaknesses as well as their potential and to identify objectively how they can develop their skills. Managers also gained an objective understanding of the characteristics of their subordinates and have been able to offer concrete advice for skill development in one-on-one consultations. I believe it was also a good opportunity for establishing closer communication between supervisors and their subordinates.

Developing workplaces and programs for employees is essential for fostering an environment where they can work in good health with strong motivation. Younger workers in particular tend to place greater emphasis on time and cost performance, so the key will be to further promote health and productivity management.

among their colleagues and managers. While people naturally hold different values depending on their age or gender, deepening a sense of mutual respect and being able to appreciate the perspectives and feelings of others will lead to advancing diversity and revitalizing the organization.

Developing global human resources is another key for achieving further corporate growth. In addition to mandating TOEIC exams for employees to raise their language proficiency, we have introduced an overseas trainee program to develop globally minded personnel early in their careers. To date, 27 employees have spent six months to a year at local subsidiaries in the ASEAN region and the United States under this program and have acquired actual business experience while learning about local business customs. We intend to continue offering opportunities for employees to work outside Japan and gain management experience.

When we reflect on history, we find that many centenarian companies have actually transformed their businesses in line with the changing times while carefully preserving their corporate culture. For Tokyo Century to remain a company that serves society's needs, we must not only maintain the trust of our various corporate partners but also explore new partnerships and collaborations in order to create new businesses consistently. This will require us to nurture a corporate culture that encourages every officer and employee to be proud of being a member of Tokyo Century and to work with a sense of fulfillment and happiness as they contribute to the Company.

Initiatives for Creating a Worker-Friendly Environment

- **Hourly paid leave program**
Can be taken on a per-hour basis
- **Staggered work hour program**
Up to two hours
- **Stringent management of work hours**
- **Promotion of paid leave**
Recommending that employees take at least 70% of their paid leave
- **Telework program**



Medium- to Long-Term Initiatives for Future Growth

- **Hiring**
Secure diverse human resources
- **Human resource development**
Nurture personnel with a global mindset, raise management candidates, support self-initiated career development
- **Human resource utilization**
Promote diversity and inclusion, support active participation of diverse human resources
- **Work style reform**
Promote diverse, flexible work styles, promote health and productivity management
- **Personnel system**
Review personnel system in line with changing management environment

Toward Further Growth in Times of Change

Advancing diversity is important to every officer and employee in terms of applying the experiences they have accumulated in order to fully demonstrate their abilities and contribute to corporate performance. In concrete terms, we must establish and enhance the systems for cultivating female managers and support the careers of employees returning from maternity and childcare leave as well as staff who are raising children or providing nursing care. I am also acutely aware of the vital role of developing an understanding for employees working shorter hours

Sustainability Topics

Subscription Platform Driven by Technical Innovation to Support Customer Business Transformation

Creation of new business driven by technical innovation



Tokyo Century supports customers in creating advanced business models by collaborating with Bplats to provide tools for commercializing subscription businesses. In particular, our comprehensive TCplats platform for pay-per-use, billing, and transaction management has been widely adopted as a digital tool that incorporates our unique creative concepts as a company primarily engaged in leasing. In addition, the "IoT SELECTION connected with SORACOM," which received a special award at MCPC Award 2019, has been steadily expanding its selection of solutions for plants, nursing care, agriculture, and location information management. Looking ahead, we will continue to contribute to the creation of new business driven by technical innovation to support customer businesses.



A solution of IoT SELECTION connected with SORACOM Smart feeder for aquaculture "UMITORON CELL"

Promoting Electric Vehicles to Address ESG Issues and for Use as an Emergency Power Source



Nippon Car Solutions seeks to support companies in addressing ESG issues by accelerating the development of services for leasing electric vehicles (EVs) and plug-in hybrid vehicles (PHVs) to corporate customers.

Leased EVs in particular not only contribute to reducing greenhouse gases (GHG) but also encourage the effective use of resources since they do not operate on gasoline or similar fuels. Moreover, they can be used

as an emergency power source in the event of a natural disaster because they are capable of supplying the equivalent of three days' worth of electricity usage for an ordinary emergency response headquarters*. In fact, EVs dispatched onsite proved to be effective as emergency power sources for welfare facilities and others during the widespread power failure in Chiba Prefecture in September 2019 caused by Typhoon Faxai.

*Headquarters equipped with five notebook computers, one printer, one TV set, and five mobile phone chargers



Spreading Renewable Energy and Revitalizing Regional Communities with Environmentally Sound Solar Power Plants



Tokyo Century has jointly invested with GF, Kyocera, and Kyudenko in the Kanoya Osaki Solar Hills Solar Power Plant, which began commercial operation in March 2020. Boasting a capacity of approximately 100MW, the plant is one of the largest in Kyushu, generating enough electricity to power roughly 39,300 typical households and reducing 62,420 tons of CO₂ emissions per year. Land development was kept to a minimum to respect the natural environment by adopting a new construction method of installing photovoltaic modules along the natural landscape. Plant construction benefitted from the cooperation of Kagoshima



Kanoya Osaki Solar Hills Solar Power Plant

Prefecture, Kanoya City, Osaki Town, and other members of the community. Through the project, we will continue to promote renewable energy, realize a sustainable society, and contribute to the local community.

Providing Life Cycle Management for IT Equipment in More than 70 Countries and Regions

Sustainable resource use



CSI Leasing (CSI) contributes to the creation of a sustainable economy and society by providing IT Asset Disposition (ITAD) services such as data erasing and disposal for IT equipment, and life cycle management (LCM) for IT equipment based on stringent adherence to the 3Rs in over 70 countries and regions around the world.

In the LCM business, the U.S. market is served by EPC, a wholly owned subsidiary of CSI, along with locations in 18 countries. Data is erased to prevent retrieval in line with the wishes of the customer. In some countries, including the United States, EPC dispatches specialized "scrap trucks" to destroy the hard disks onsite for customers handling extremely sensitive information. By providing these highly secure services, it offers a strong sense of security.



EPC's scrap truck

External Evaluation

MSCI ESG Leaders Indexes

An index developed by U.S.-based MSCI Inc. with a particular focus on selecting companies that excel in ESG. Tokyo Century has been a constituent of the index since 2020.



THE INCLUSION OF Tokyo Century Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Tokyo Century Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

MSCI Japan ESG Select Leaders Index

An index based on the MSCI Japan IMI Top 700 Index and composed of companies that have demonstrated outstanding ESG performance. Tokyo Century has been a constituent of the index since 2017.

2020 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

THE INCLUSION OF Tokyo Century Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Tokyo Century Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

MSCI ESG Ratings

MSCI ESG Research rates companies on a seven-tiered scale, from AAA to CCC scale according to their exposure to ESG risks and others. Tokyo Century received an MSCI ESG RATING of AA in 2020.



THE USE BY Tokyo Century Corporation OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF Tokyo Century Corporation BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED "AS-IS" AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

CDP

CDP is a not-for-profit organization seeking disclosure of information on environmental issues such as climate change initiatives while also conducting research and analysis. Tokyo Century received a Climate Change B- rating in 2019.



FTSE4Good Index Series

Tokyo Century has been selected as a constituent of the FTSE4Good Index Series, a major global index series for socially responsible investment.



FTSE Blossom Japan Index

An index designed as a tool to measure the performance of Japanese companies that demonstrate strong Environmental, Social, and Governance (ESG) practices. Tokyo Century has been a constituent of the index since 2017.



Platinum Kurumin Certification

Tokyo Century was accredited the Platinum Kurumin certification by the Ministry of Health, Labour and Welfare as a company pursuing a higher level of initiatives for supporting raise next-generation children.



Semi-Nadeshiko Brand

Jointly inaugurated by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to recognize companies that excel in empowering women. Tokyo Century has been selected for two consecutive years, since 2019.



A Message from the Chairperson of the Nomination Committee

Selecting a New Leader for Tokyo Century's Transformation into a Major Global Company

Yoshinori Shimizu
External Director

After Much Discussion, the Nomination Committee Formulated a Succession Plan and Criteria for Selecting the President

The Nomination Committee appointed Mr. Makoto Nogami as president & CEO and representative director, effective April 1, 2020. As you know, Tokyo Century considerably expanded its corporate scope over the past several years through aggressive M&As and business investments, while its overseas assets have increased to about half of its total assets through active overseas development. Our business has also transcended the constraints of conventional leasing and underwent a significant transformation to embrace the new domains of "Finance × Services × Business Expertise." As we enter a period of major transformation, we decided this was a good opportunity to select a new leader.

Following last year's Annual General Meeting of Shareholders, we expanded the scope of the Nomination Committee and increased the frequency of meetings before formulating a succession plan and criteria for selecting the president. In setting the criteria, we discussed topics ranging from the qualities of a leader and the ability to respond to rapid changes in digital technology, to the ability to make decisions for executing global market strategies and engage with diverse stakeholders. As a result, we arrived at an ideal vision of a leader: an individual who is capable of achieving sustainable growth for Tokyo Century Group in unrestricted

business domains that transcend finance to include services and viable businesses. Mr. Nogami spearheaded the drive to build the foundation of growth in businesses such as Mobility & Fleet Management, which played a central role during the Company's transition to new business models. In view of his business acumen, achievements, and knowledge of IT, as well as his warm, principled character that has won the trust of business partners, we believe he is the right choice for the new president.

Broad Perspective and Lofty Aspirations Are Essential for a Leader Entrusted with the Company's Future

Future corporate management must respond to dramatic social change by realizing innovative ideas and addressing diverse social needs. Enhancing diversity has become an increasingly important management concern.

Surrounded by the ocean, Japan is a unique nation with a high level of uniformity in terms of ethnicity, religion, language, and culture. In contrast, overseas geographic regions such as the United States and Europe comprise multiple cultural areas interconnected by land, and a diverse workforce is the norm. The recent digital revolution has closed gaps in both physical distance and language, connecting Japan to other countries almost as effectively as by land. Japanese companies are being scrutinized for how they respond to this change. We ourselves must embrace diversity and a broad perspective in order to respond sensitively to changing needs with flexible solutions.

The future growth of any company, without exception, is determined by its response to major changes. Diversity



“As the financial industry finds itself in a period of dramatic change, we must look ahead to the next 50 and 100 years to emerge as a company that allows new employees to genuinely have a stake in the Company and demonstrate their talents with pride. I expect Tokyo Century's leader to guide us into that future.”

cannot be achieved at the surface level of appearance. Only genuine diversity will enable us to strengthen our ability to create services and products in response to changing needs, markets, technologies, and modes of thinking and bolster our competitiveness. In that sense, the very essence of corporate management is placed under the spotlight. While Tokyo Century has achieved rapid global growth, it has yet to achieve diversity in its corporate culture and managers. We must expand opportunities for women and foreign nationals to demonstrate their talents and nurture a corporate culture in which their opinions are reflected in our operations. Tokyo Century has accomplished exponential growth by taking on the challenges of new domains. We must continue to create new domains amid even greater change with a broad perspective and lofty aspirations.

Sharing the Dream of Presenting the World with New Models of Financial Services—Be a Leader Entrusted with the Future

The SDGs upheld by the United Nations as global goals for 2030 have been gaining recognition in Japan. Businesses that are not intrinsically connected to the 17 SDGs have little potential for long-term growth. The extent to which the SDGs are relevant to a business will serve as a benchmark in assessing its viability. As a company with financial capabilities involved in business with partners in various industry sectors, Tokyo Century is in the position of jointly operating businesses toward achieving mutual prosperity and plays a greater role in guiding its business partners. As the financial industry finds itself in a period of dramatic

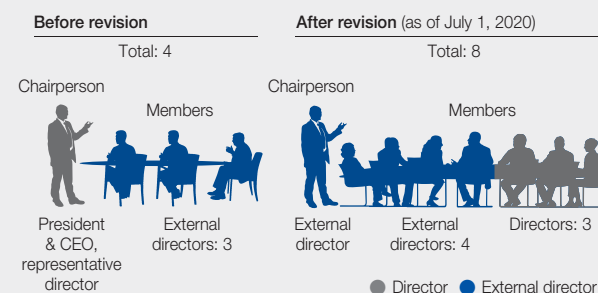
change, we must look ahead to the next 50 and 100 years to emerge as a company that allows new employees to have a genuine stake in the Company and demonstrate their talents with pride. Tokyo Century has already established itself as a major company and is about to create new business models for financial services on the global stage. I expect its leader to guide us into that future.

The selection of a leader has implications beyond the individual chosen and serves to express the qualities expected of future successors and all officers and employees, as well as the future of the company itself. Employees notice every move their supervisors make; supervisor behavior becomes the corporate culture. All of us must share the same vision. You must think how you would act if you were the leader and take on the challenge of changing yourself. Our goal of creating unrestricted financial services is the driving force that led to Tokyo Century's dynamic growth. This is a unique business model that allows us to jointly promote business with our partners while offering diverse services and pursuing whatever business we want as long as we make the effort. The aforementioned criteria for selecting a president are also the qualities required of each individual employee as we seek to unleash the potential of a new business model in the world. I hope you will consider the selection of a new leader as a matter of personal interest and strive to become a future leader while sharing your dreams with your colleagues and ultimately serving as the driving force of Tokyo Century.

Revising the Structure of the Nomination Committee

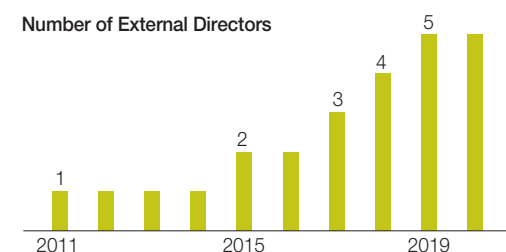
Tokyo Century Corporation established the Nomination Committee in 2016* as an advisory body to the Board of Directors. In September 2019, prior to electing the new president, we revised the structure of the committee to further enhance the corporate governance structure.

With regard to the Compensation Committee, the chairperson has been changed from the president & CEO to an external director, and the number of external directors has been increased from two to five, including the chairperson. For more information on the composition of each committee, please see page 64.



* The Nomination and Compensation Committee was separated into the Nomination Committee and the Compensation Committee in 2018.

Recognizing that effective corporate governance is a key concern for maximizing corporate value, Tokyo Century endeavors to create a sound and highly transparent management structure that swiftly responds to changes in the business environment and makes accurate decisions.



History of Strengthening the Corporate Governance System

Year	Details
2011	● Election of one external director
2015	● Compliance with the Corporate Governance Code ● Additional external director (from one to two)
2016	● Board Effectiveness Review Council is held ● Establishment of the Nomination and Compensation Committee
2017	● Additional external director (from two to three)
2018	● Additional external director (from three to four) ● The Nomination and Compensation Committee is separated into two entities: The Nomination Committee and the Compensation Committee
2019	● Additional external director (from four to five) (external directors now represent at least one-third of all directors)
2019	● Reformed system for appointing external directors as chairpersons of the Nomination Committee and the Compensation Committee

Management Structure

Tokyo Century's management structure centers on the Board of Directors and the Board of Corporate Auditors. Our executive officer system accelerates management strategy decisions and strengthens supervision and execution. Among the 31 executive officers is one female officer.

Board of Directors

Chairperson	Members	Meetings Held in Fiscal 2019
Makoto Nogami President & CEO, Representative Director	15 directors, including 5 external directors*	13

The Board of Directors deliberates on and makes decisions about the policies, strategies, business plans, and other key management issues of Tokyo Century and its Group companies as well as matters specified by prevailing laws, regulations, articles of incorporation, and rules governing the board. It also supervises the execution of operations by directors and executive officers.

* External directors as defined by Article 2-15 of the Companies Act of Japan

Board of Corporate Auditors

Chairperson	Members	Meetings Held in Fiscal 2019
Futoshi Okada Standing Corporate Auditor (External Corporate Auditor)	4 corporate auditors, including 2 external corporate auditors*	11

The Board of Corporate Auditors meets regularly and executes independent and fair audits of compliance and the appropriateness of corporate activities including the performance of duties by directors and executive officers.

* External corporate auditors as defined by Article 2-16 of the Companies Act of Japan

Independence of Management Oversight Structure

Tokyo Century applies the standards for independent external directors and external corporate auditors under the Tokyo Stock Exchange Guidelines concerning Listed Company Compliance, etc., when appointing its external directors and external corporate auditors. Furthermore, Tokyo Century appoints external directors and external corporate auditors who it believes are able to objectively supervise management after considering their extensive backgrounds in corporate management, specialized knowledge, and common sense. This ensures the objectivity of the independent external directors.

Management Meeting

Chairperson	Members	Frequency
Makoto Nogami President & CEO, Representative Director	President & CEO, and officers appointed by the president & CEO Total: 11 members	Once a week, in principle

The Management Meeting deliberates on particularly important matters concerning the execution of operations and makes decisions for the entire Group. It consists of the following members.

President & CEO, Representative Director Makoto Nogami (Chairperson); Chairman, Representative Director Shunichi Asada; Deputy President, Representative Director and Executive Officer Masataka Yukiya; Deputy President, Director and Executive Officer Akihiko Okada; Deputy President, Director and Executive Officer Keiichiro Ogushi; Deputy President, Executive Officer Koichi Nakajima; Director and Senior Managing Executive Officer

Koichi Baba; Director and Managing Executive Officer Seichi Mizuno; Managing Executive Officer Takashi Yonetsu; Managing Executive Officer Tatsuya Hirasaki; and Director and Executive Officer Ko Nakagawa.

Transaction Evaluation Meeting

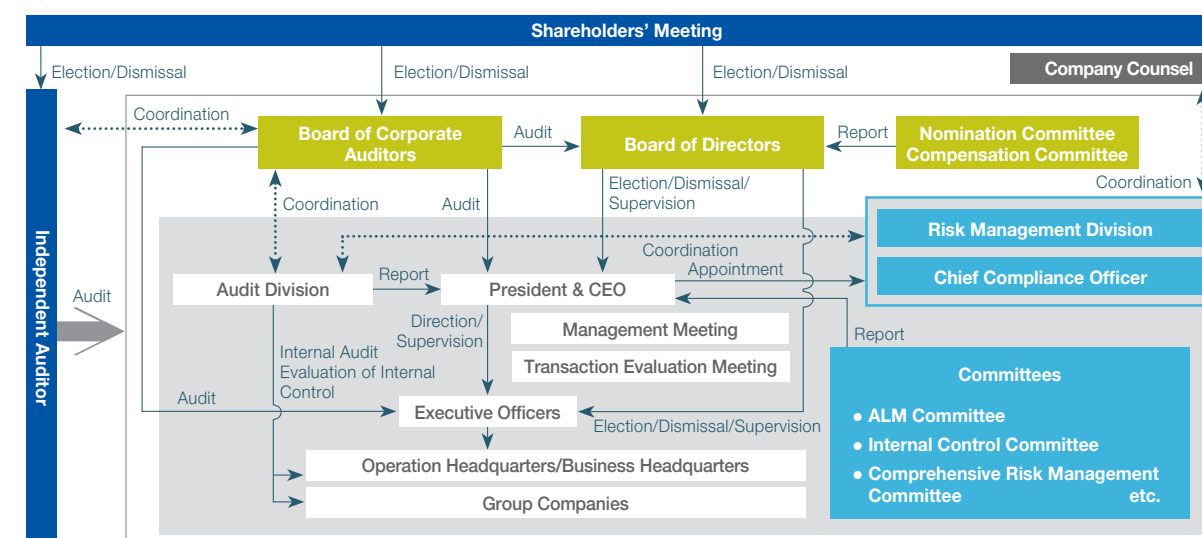
Chairperson	Members	Frequency
Ko Nakagawa Director and Executive Officer	President & CEO, and officers appointed by the president & CEO Total: 10 members	Once a week, in principle

The Transaction Evaluation Meeting discusses and makes decisions about major business transactions being considered by Tokyo Century and its Group companies

as well as transactions that warrant complex risk analysis. It consists of the following members.

Director and Executive Officer Ko Nakagawa (Chairperson); Chairman, Representative Director Shunichi Asada; President & CEO, Representative Director Makoto Nogami; Deputy President, Representative Director and Executive Officer Masataka Yukiya; Deputy President, Director and Executive Officer Akihiko Okada; Deputy President, Director and Executive Officer Keiichiro Ogushi; Deputy President, Executive Officer Koichi Nakajima; Director and Senior Managing Executive Officer Koichi Baba; Managing Executive Officer Takashi Yonetsu; and Managing Executive Officer Tatsuya Hirasaki.

System of Corporate Governance and Internal Control (as of July 1, 2020)



Committees

Name	Purpose	Meetings Held in Fiscal 2019
Nomination Committee	Primarily consists of independent directors, advises the Board of Directors, deliberates on the nomination of candidates for director and corporate auditor positions, and reports to the Board of Directors.	8
Compensation Committee	Primarily consists of independent directors, advises the Board of Directors, discusses matters such as compensation systems and policies, and reports to the Board of Directors.	2
Asset Liability Management (ALM) Committee	Discusses matters relevant to managing market, liquidity, and other risks in order to identify and minimize the exposure of assets and liabilities to risks, including fluctuations in interest and foreign currency exchange rates, and reports to the Management Meeting.	4
Comprehensive Risk Management Committee	Discusses matters such as construction of the risk management system and approaches to measuring risk. It also periodically assesses Tokyo Century's risk exposure and reports to the Management Meeting.	5
Internal Control Committee	Discusses general internal control matters, including evaluation of the effectiveness of the financial reporting system and scope of evaluation to ensure the internal control system functions effectively and reports to the Management Meeting.	3
Credit Risk Management Committee	Discusses matters including the Group's credit portfolio as a whole and credit risk management and reports to the Management Meeting	2
IT and Administration Strategy Management Committee	Discusses matters including IT strategy, IT investment plans, and administrative system plans of the Company and the Group, and reports to the Management Meeting.	2
Sustainability Committee	Reports important matters related to the Group's sustainability activities to the Board of Directors; plans, promotes, and oversees the Group's sustainability activities, discusses important issues related to sustainability, and reports to the Management Meeting.	2

Composition of Each Committee (Directors) (as of July 1, 2020) ● Chairperson ● Member

Position	Name	Nomination Committee	Compensation Committee	ALM Committee	Comprehensive Risk Management Committee	Internal Control Committee	Credit Risk Management Committee	IT and Administration Strategy Management Committee	Sustainability Committee
Chairman, Representative Director	Shunichi Asada	●	●	●				●	
President & CEO, Representative Director	Makoto Nogami	●	●	●				●	
Deputy President, Representative Director and Executive Officer	Masataka Yukiya		●	●					
External Director	Yoshinori Shimizu	●	●						
	Masao Yoshida	●	●						
	Yukito Higaki	●	●						
	Akio Nakamura	●	●						
	Toshio Asano	●	●						
Deputy President, Director and Executive Officer	Akihiko Okada			●					
	Keiichiro Ogushi			●					
Director and Senior Managing Executive Officer	Koichi Baba			●	●	●	●	●	●
Director and Managing Executive Officer	Osamu Tamano				●	●	●	●	●
	Seichi Mizuno				●	●	●	●	●
Director and Executive Officer	Ko Nakagawa			●	●	●	●	●	●
Director	Toshihito Tamba	●							

External Directors

Status of External Directors (as of July 1, 2020)

Name	Age	Independence	Main Career	Major Expertise				Board Meeting Attendance*	Years Served
				Management	Global Affairs	Financial and Economic Areas	Finance and Tax Affairs		
Yoshinori Shimizu	72	●	Professor emeritus, Hitotsubashi University (Finance and Economics)		●	●		13 of 13	9
Masao Yoshida	71	●	Former president and representative director of Furukawa Electric Co., Ltd.	●	●			13 of 13	3
Yukito Higaki	57	●	President, Imabari Shipbuilding Co., Ltd.	●	●			13 of 13	3
Akio Nakamura	64	●	Former director-general of the Financial Bureau, Ministry of Finance			●	●	13 of 13	2
Toshio Asano	67	●	Former president and representative director of Asahi Kasei Corporation	●	●			11 of 11*	1

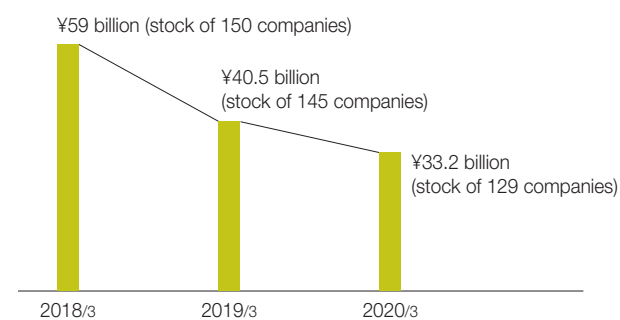
*Attendance since appointment in June 2019

Holding Policy for Cross-Shareholdings

Cross-shareholdings by Tokyo Century (equity securities held for purposes other than pure investment) consist of shares issued by important stakeholders of Tokyo Century Group, such as its major business partners and shareholders. The shares held are necessary to promote Tokyo Century's business over the medium to long term. In addition, Tokyo Century considers whether or not these cross-shareholdings should be continued by periodically reviewing the corresponding business relationships and the status of profit or loss, and verifying at the Board of Directors the reasons for these holdings and that the benefits of holding these shares exceed the capital costs. In cases where the rationality of such holdings

is not recognized, a proposal regarding the reduction of said shares is made. In fiscal 2020, Tokyo Century plans to continue to review all of the shares held.

Change in Amount of Cross-Shareholdings in the Balance Sheet



Officer Compensation

Policy and Method to Determine Compensation of Officers

Regarding officer compensation, the Company intends to maintain a framework linked to sound incentives toward its sustainable growth and the medium- to long-term development of its businesses. It has established an officer compensation system to align the interests of the officers with those of the shareholders, raise the awareness of officers regarding enhancing shareholder value, attract outstanding talent, and secure and develop human resources who can drive the improvement of the Company's corporate value.

The Compensation Committee, primarily consisting of independent external directors, has been established, and matters such as the policy, systems, and levels of officer compensation are referred to this committee. Their compensation is ultimately determined by the Board of Directors, based on the recommendations of the committee and advice of outside experts, with reference to third-party survey data on compensation levels. The compensation of corporate auditors is determined through deliberations by the corporate auditors within the prescribed limits.

Officer compensation comprises basic compensation, officer bonuses, and stock options as stock-based compensation. Basic compensation, which is fixed compensation, is determined through a comprehensive consideration of the duties, roles, and responsibilities and others of each officer. Their bonuses and stock options as stock-based compensation are performance-based compensation distributed according to profits, the amounts of which are determined based on net income attributable to owners of parent.

Given that net income attributable to owners of parent represents the final profit or loss for the period generated

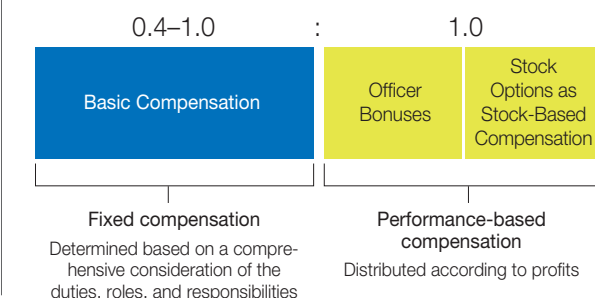
through the activities of a fiscal year and is directly linked to the improvement of corporate value during the period, the Company has decided it is an appropriate indicator for determining the compensation of directors, who are responsible for improving the corporate value of the entire Group and maximizing shareholder profits, and it has therefore adopted that as an indicator for performance-based compensation.

For the fiscal year under review, the Company initially targeted net income attributable to owners of parent of ¥54.0 billion and achieved an actual net income of ¥56.3 billion.

The payment ratio of performance-based to non-performance-based compensation is set at approximately 1:0.4 to 1.0, determined by comprehensively taking into account achievements and performance based on each officer's expected duties.

In regard to performance-based compensation, stock options as stock-based compensation have been designed to raise the awareness of officers regarding enhancing shareholder value by sharing the effects of fluctuating stock prices with the shareholders.

The compensation of external directors and corporate auditors, who are in a position independent from business execution, consists entirely of basic compensation based on their roles.



Compensation and Eligible Officers

Officer Category	Total Compensation (Millions of Yen)	Total Compensation by Type (Millions of Yen)			Number of Eligible Officers
		Fixed compensation	Performance-based compensation	Retirement benefits	
Directors (excluding external directors)	783	300	482	—	10
Corporate auditors (excluding external corporate auditors)	46	46	—	—	3
External officers	123	123	—	—	7

(Notes)

- The above compensation amounts include ¥158 million in provisions for director bonuses, which has been recorded under expenses in the fiscal year under review.
- The above compensation amount includes ¥324 million in compensation based on stock options.
- Although the total number of corporate auditors as of March 31, 2020 was 4, the above compensation amounts also include payments to one corporate auditor who retired at the conclusion of the 50th Annual General Meeting of Shareholders held on June 24, 2019.
- Maximum compensation for directors, as resolved by the General Meeting of Shareholders, is ¥1,000 million per year (including ¥100 million per year for external directors). Furthermore, the maximum fair value of stock options that may be granted to directors (excluding external directors), within the said maximum, is ¥400 million per year (by resolution of the Annual General Meeting of Shareholders held on June 24, 2016).
- The maximum compensation for corporate auditors, as resolved by the General Meeting of Shareholders, is ¥150 million per year (by resolution of the Extraordinary General Meeting of Shareholders held on February 25, 2009).

Review of the Effectiveness of the Board of Directors

Tokyo Century has established the Board Effectiveness Review Council, which primarily consists of independent external directors and corporate auditors to advise the Board of Directors. The council conducts an analysis and review of the Board of Directors once a year in principle on aspects such as the effectiveness of its supervisory functions, status of deliberations, structure, and operating method, taking into account the self-evaluations submitted by each director.

Important Themes for Fiscal 2019 Based on the Effectiveness Review for Fiscal 2018

1. Need for discussions on medium- to long-term management issues
2. Composition of the Board of Directors, including diversity



Fiscal 2019 Initiatives on Important Issues

1. Expanding discussion on medium- to long-term themes

In fiscal 2019, we revised the Fourth Medium-Term Management Plan in response to the acquisition of ACG and the capital and business alliance with NTT. In the course of this revision, we were able to engage in extensive discussions with an eye on the coming decade, on issues including our long-term growth strategy, and sustainability management. Open discussions were held separately from the board meetings to offer opportunities for both internal and external directors to discuss Tokyo Century Group's medium- to long-term goals.

2. Increasing the number of external directors to ensure diversity and strengthen the governance system

We added one more external director and attained our target of raising the ratio of external directors to a third of the board. We also revised the system of the Nomination Committee and the Compensation Committee by appointing external directors as chairpersons.



Fiscal 2019 Results of the Effectiveness Review

In fiscal 2019, we hired a third-party assessment institution to objectively review the effectiveness of directors and used its evaluation report during the meeting of the Board Effectiveness Review Council.

In fiscal 2019, the Board of Directors was deemed to be adequately and appropriately fulfilling its roles and duties, which are: (1) providing overall direction by setting corporate strategies, (2) creating an environment conducive to appropriate risk taking by top management, and (3) exercising highly effective oversight of top management and directors from an independent and objective standpoint. Looking ahead, we will seek to improve the effectiveness of the board further by enhancing discussions on the following issues.

Criteria for Assessment	1. Formulation and monitoring of medium- to long-term strategies	2. Officer compensation and succession	3. Group governance and portfolio management	4. Stakeholder communication	5. Roles and responsibilities of external directors	6. Composition of the Board of Directors	7. Management of the Board of Directors (current agenda and deliberations)	8. Training for external directors



Important Themes for Fiscal 2020

- 1. Reinforcement of control and oversight functions for subsidiaries and affiliates:** Bolster the monitoring of investee companies in view of growing risks associated with large-scale M&A and investments implemented in fiscal 2019.
- 2. Composition of the Board of Directors including the issue of diversity:** Deepen our discussion on the board's oversight functions and continue to explore the ideal ratio of internal and external directors and the gender and global aspects of diversity.

Toshio Asano
External Director

I can personally attest to Tokyo Century's excellent governance and highly transparent management

Having now been an external director for a full year, I can confirm that Tokyo Century maintains excellent governance and practices transparent management that constantly strives to reflect the opinions of external directors. While I cannot share any specific content, the Nomination Committee held frequent discussions about appointing a new president through a highly transparent process.

The large-scale acquisition of the Aviation Capital Group was a major event after I became an external director. I was convinced of the company's uncompromising commitment to governance after learning about the meticulous decision-making process based on years of preparation. This process involved gaining a steadily deepening knowledge of aircraft leasing during the process of alliance and capital investment and considering post-merger integration in the course of decision-making and follow-up to the merger.

My own experience at a chemical manufacturer includes the establishment of a life science unit and the acquisition of two overseas companies exceeding US\$2 billion to cultivate new businesses. I therefore felt firmly aligned with Tokyo Century's approach of moving beyond financing to explore related businesses with high added value and developing them on a global scale. This diversification strategy and

portfolio management have much in common with my experience at a chemical manufacturer, and I hope to contribute to the discovery and creation of new businesses.

Future growth will depend on human resources and a sound corporate culture

Amid the tide of globalization, human resources hold the key to future growth. It is important to raise up and retain those who can personally interact with customers and businesses around the world and provide solid management. International group governance requires striking a balance between the centrifugal force of independently expanding businesses and the centripetal force of synchronizing with the business strategy of the head office. Tokyo Century maintains a corporate culture that practices sound management. Centenarian companies need solid human resources that sustain a sound corporate culture capable of overcoming crises such as the ongoing COVID-19 pandemic. Human resource development must be conducted through a slow and steady effort. I hope the company is able to consistently maintain and further develop the excellent corporate culture it has now.

I fully expect that Tokyo Century will open up new business domains and strive to emerge as a global leader in those areas as a unique company that possesses financial wisdom.

“Firmly aligned with Tokyo Century's approach to business creation through global diversification”



Risk Management and Compliance

Ko Nakagawa

Director and Executive Officer

President, Credit Supervision Unit
Chief Compliance Officer (CCO)
President, Risk Management Unit
President, Legal Unit

The Mission of Risk Management Is to Boldly Face Necessary Risks to Support Value Creation and Growth

Tokyo Century has been expanding its business domain and providing solutions to social issues by creating unique financial services beyond conventional leasing in a business environment free of regulatory constraints. Our corporate culture drives us to take on the challenge of developing unprecedented businesses to create new value, which at times requires us to take on risks in new areas. The mission of our risk management is to support Tokyo Century's sustainable growth by facilitating necessary risk taking with appropriate risk controls.

Utilizing consolidated Enterprise Risk Management (ERM) and Management Information System (MIS), we are seeking sophistication of our comprehensive Group governance in Japan and overseas as well as reinforcing our risk management visualization.

The development of a sophisticated risk management system is one of the key tasks in the New Fourth Medium-Term Management Plan and we are exerting our efforts to address the growing diversification in our risk profile. This involves constructing a risk control framework to facilitate efficient allocation of management resources to meet growing needs from our core

business of operating leases and our expanding viable businesses. Furthermore, we are bolstering and expanding our information security measures, crisis management, and quality control to respond to social needs. Implementing such comprehensive risk management measures essentially supports our corporate value growth.

Solving Social Issues and Maintaining Sustainable Growth Require Innovation, Creativity, and Sound Management

To have an impact on society by creating new value and achieving sustainable growth, a company must demonstrate "sound management" in addition to "innovation" and "creativity". Especially in these times of dramatic change, even highly innovative and creative companies find it hard to succeed all the time. That is why sound management through stringent risk controls and enhancement of compliance is vital. Our risk management exercise should always incorporate these three elements and seek to achieve the right balance between profitability for the company as a whole and necessary risk taking. Under certain circumstances, we must cut ourselves away from failures and take on new challenges. I believe what is required of us is to maintain the toughness in making such difficult decisions.

“
For us to remain a company that consistently provides new value globally through our services and businesses, we will boldly seek to evolve our Risk Management from being the conventional loss-limiting function to a function that supports the maximization of corporate value.
”

Risk Management

Consolidated Enterprise Risk Management (ERM)

Tokyo Century Group will continue to implement Enterprise Risk Management (ERM) following the management guidelines for capital usage rates based on quantitative risk control on a consolidated basis.

Capital usage rate is used to assess risk resilience, which is an important criterion for rating financial institutions. We have therefore sought to keep the risk amount within a certain level of capital buffers by adhering to the guidelines for capital usage rates. As our business domain continues to expand, the relationship between the amount of capital and level of risk receives greater attention, primarily from investors. For this reason, the capital usage rate has become a key indicator for objectively determining prospects for our sustainable growth and investment capacity.

We refer to the targeted level of capital usage rate only as a guideline since the regulations regarding capital usage level for financial institutions are not applied to Tokyo Century. In operating a business, seizing business opportunities, such as M&A, is also an important factor considered under the risk management framework. Rather than adopting a passive approach to the soundness of corporate management, we pay due consideration to the magnitude of increase in the amount of risk over a medium-term period of about three years, the projection for increases in the shareholders' equity ratio from profit growth, and the level of tolerance of our capital policy.

Despite several major M&A deals in fiscal 2019, the capital usage rate remained within the guidelines as our capitalization measures and profit growth led to an increase in the consolidated economic capital. Under the New Fourth Medium-Term Management Plan, we will continue to maintain the capital usage rate at an appropriate level while securing sufficient growth potential.

Visualizing Risk Information at the Management Level

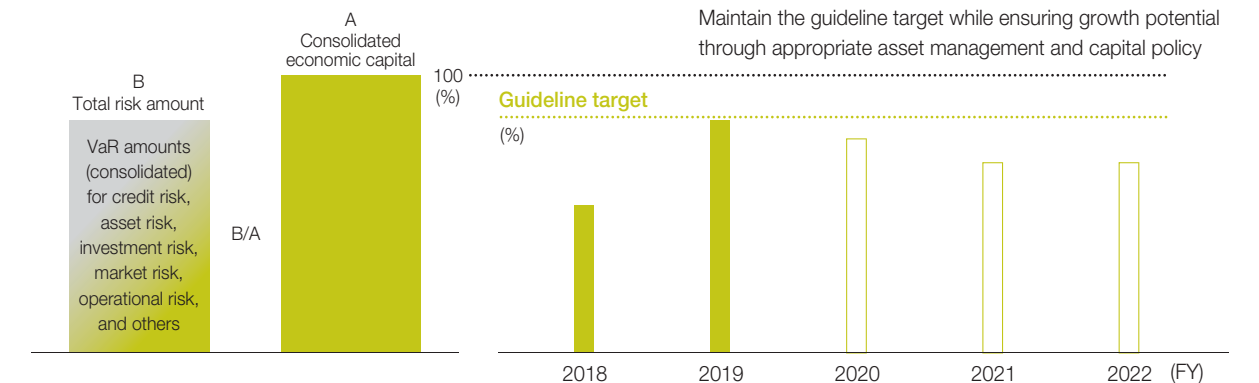
In addition to quantifying risks on a consolidated basis and controlling the capital usage rate, Tokyo Century also operates a visual Management Information System (MIS). Under the system, the Credit Risk Management Committee and the Comprehensive Risk Management Committee take the lead in regularly monitoring risk information on multiple criteria and report the results to the Management Meeting and the Board of Directors.

In our global operations, we pay particular attention to ACG and CSI, which are our U.S.-based subsidiaries with substantial investment and assets. As specialized leasing companies based in the United States, both ACG and CSI have effectively managed risks by adopting certain risk control methods. From the standpoint of consolidated management control, it is also important to establish unified governance in line with Tokyo Century's corporate standards. We are integrating management indicators used by ACG and CSI with our principles on global management through close communication with the two companies.

Tokyo Century has appointed three Tokyo Century members to the board of ACG, in which we have made our largest investment to date, and exercise both offensive and defensive business management. As a second line of defense, a risk management framework has been established in coordination with the Credit Supervision and the Risk Management units of the head office. To serve as a third line of defense, an independent internal control framework has also been set up in coordination with the Audit unit.

Consistent monitoring of certain risk information under this framework enables management members and directors to understand the risks inherent in Tokyo Century Group's business portfolio in a time sequential manner.

Image of Capital Usage Rate Guidelines



Risks and Management

Risk category	Definition	Management Approach
Credit risk	Risk of losses from deterioration in the credit standing of borrowers. Includes project finance and country risk	Credit Risk Management Committee (credit risk measurement, analysis), Transaction Evaluation Meeting (review of large projects and new scheme projects, etc.). Introduction of internal rating system, country exposure management, etc.
Market risk	Interest rate risk Risk of losses from interest rate fluctuation	ALM Committee (market risks such as fluctuations in interest rate and foreign exchange rate, and liquidity risk related to fund procurement). Introduction of risk management tools such as hedge ratio, maturity ladder, Gap analysis, GPS (Grid Point Sensitivity), VaR, etc.
	Foreign exchange risk Risk of losses from foreign currency-denominated assets and liabilities owing to fluctuation in foreign exchange rates	
Liquidity risk	Risk of losses from difficulty in procuring funds or increase in funding costs owing to company-specific factors. Systemic risk of losses resulting from difficulty in procuring financing owing to overall uncertainty in capital markets	
Investment risk	Equity investment risk Risk of losses from factors such as decline in prices or poor performance of listed/unlisted equities, funds, venture investments, REIT investments, etc.	Management Meeting and Board of Directors (policy and status of investment in equities, etc.). Comprehensive Risk Management Committee (investment risk measurement)
	Business investment risk Risk of losses from investment activities in specific businesses	
Asset risk	Risk of losses from fluctuation in the value of real estate, aircraft, ships, automobiles, and other products as well as losses resulting from operating businesses related to these assets. Includes risk of holding and investing in non-recourse loans, equity investments, investment assets, etc.	Comprehensive Risk Management Committee (risk measurement and monitoring status)
Operational risk	Specifically monitoring the following ten categories as non-financial risks <ul style="list-style-type: none"> Administration risk Fraud risk System risk Information security risk Legal risk Employment management risk Disaster risk Regulatory and system change risk Climate change risk ← Added in FY2020 Reputation risk 	<p>Administration risk and system risk: IT and Administration Strategy Management Committee (preparation and operation of IT strategy, IT investment, administrative system, etc.)</p> <p>Information security risk: Information Security Committee, operation based on ISO 27001, establishment and operation of CSIRT Office in the IT Promotion Division</p> <p>Large-scale natural disasters and other crises: Establishment of "Crisis Management Rules," "Business Continuation Plan Rules," etc. Preparation and operation of BCP manual, safety confirmation system, etc.</p> <p>Other operational risks: Comprehensive Risk Management Committee (analysis and risk measurement and planning countermeasures, etc.)</p>

With respect to Group risk management, we mainly manage the following risks depending on the nature of their business operations.

Relationship between Major Group Companies and Main Risk Categories

Risk category	Tokyo Century	Nippon Car Solutions	Fujitsu Leasing	Nippon Rent-A-Car Service	Orico Auto Leasing	Shinko Real Estate	Aviation Capital Group	CSI Leasing	TC Skyward Aviation
Credit risk	●	●	●	●	●		●	●	●
Market risks	●	●	●	●	●		●		
	●						●		
Liquidity risk	●	●	●				●	●	
Investment risks	●	●		●					
	●	●		●					
Asset risk	●	●	●	●	●	●	●	●	●
		Automobile	General residual value	Automobile	Automobile	Real estate	Aircraft	General residual value	Aircraft
Operational risk	●	●	●	●	●	●	●	●	

Note: The scope of management extends to all consolidated subsidiaries. The table above only lists Tokyo Century's significant subsidiaries subject to internal control under Japan's Financial Instruments and Exchange Act.

Risk Management at Aircraft Leasing Company ACG

ACG, which became our wholly owned subsidiary in 2019, has in place a clearly defined Risk Appetite Framework approved by its Board of Directors. This approach has gained attention among financial institutions in recent years, and is one that clearly defines risks that should be accepted as sources of profit and those that should be avoided, such as financial- and market-related risks. We highly value this approach as it offers a clear picture of ACG's risk profile.

Tokyo Century has maintained close communications with ACG management by gradually increasing its shareholding in the company. As a result, we have been able to clarify the risks to be accepted, avoided, mitigated or transferred in order to ensure consistency with our business strategies and management goals that constitute the backbone of corporate management.

Of the 16 established risk categories, asset risk associated with aircraft is the only item that falls under risks to be accepted. Financial risks related to capital

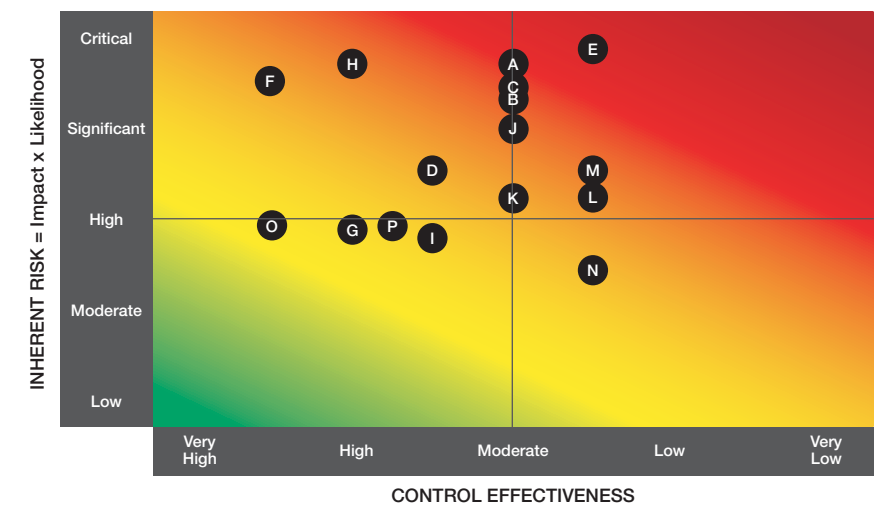
management, interest rates, liquidity and foreign exchange are defined as risks to be avoided. These are therefore hedged to be kept within certain limits based on stringent management indicator ratios. In addition, periodic stress tests are conducted based on projected changes in the market environment. Risks that are affected by external environmental factors and cannot be fully controlled by the company, such as credit, country, and delivery risks, are defined as risks to be mitigated or transferred and are managed using KRI indicators aimed primarily at risk diversification to mitigate their impact.

ACG's risk management self-assesses risk associated with its aircraft assets as "desirable and manageable business risks given the company's resources and expertise". ACG has earned recognition for its superior expertise and rigorous financial management and has received relatively high ratings within the industry from major U.S. credit rating agencies. ACG's risk evaluation is plotted on the risk heat map below.

Risk Heat Map

16 types of defined risks covering credit, market, and operational risks, such as information security and legal risks, have been mapped onto a graph where the vertical axis represents the magnitude of risk (impact x likelihood) and the horizontal axis represents the level of management.

ACG uses this tool to visualize risks and share the information to make strategic decisions.



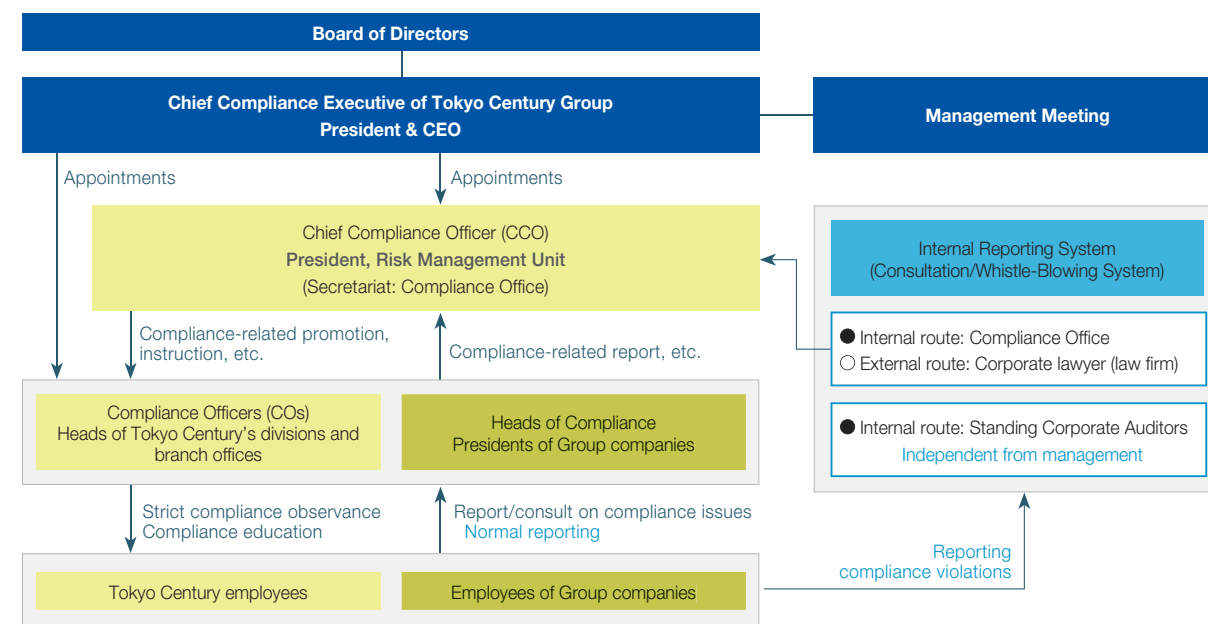
Compliance

Compliance Structure Composed of Compliance Officers

At Tokyo Century Group, the Compliance Office promotes compliance measures under the supervision of the Chief Compliance Officer (CCO) appointed by the President & CEO, also the chief compliance executive. The heads of each division and branch office, along with the presidents

of each Group company, act as compliance officers (COs) with the responsibility of ensuring accordance with all relevant laws and ordinances and that business activities are kept in line with social norms. In addition, the CCO, who is concurrently President of Risk Management Unit, also serves on ACG's Board of Directors and directly engages in compliance communication.

Compliance Structure for Tokyo Century Group



Rigorous Compliance at Consolidated Group Companies

The Risk Management Liaison Committee for Group companies meets twice a year to work on strengthening consolidated business management. This committee, attended by compliance managers of the Group companies, has already been held 14 times and proved to be a valuable forum for internal communication sharing important compliance issues.

Amid rapid global expansion in our business domain, it has become essential to ensure that compliance systems at our overseas Group companies are in line with the Group's compliance structure. For example, CSI, which was consolidated in 2016, has established a compliance portal system with a multiple-language interface (English, German, French, Spanish, and Portuguese). ACG, which became our consolidated subsidiary in 2019, has also revised its sanction screening system, internal reporting system, Insider Trading Policy, Code of Ethical Conduct, and other rules in accordance with Tokyo Century's compliance standards.

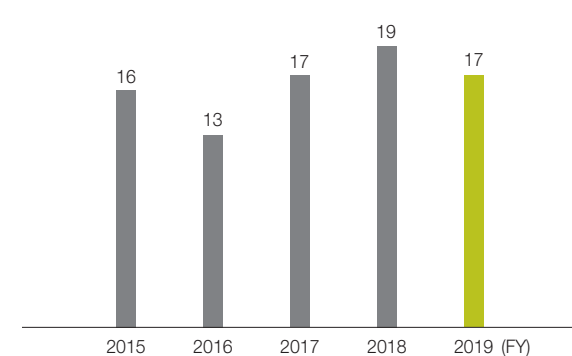


Compliance staff from the Risk Management Division visit overseas Group companies to conduct compliance training and monitor status of compliance with local laws and regulations and of business continuity plans while also raising awareness to facilitate usage of our internal reporting system.

Internal Reporting System

There has been an increase in the proportion of reports from affiliates. We believe this is due to our consistent efforts to raise awareness of the internal reporting system among employees including employees of our overseas Group companies. At the same time, stringent whistleblower protection measures at both the external law firm and the Compliance Office within Tokyo Century's Risk Management Division has helped increase confidence in the system and encouraged more usage.

Tokyo Century Group Number of Reports Received via the Internal Reporting System



Information Security

Information Security Countermeasures

We view information security as a crucial issue affecting corporate management, rather than just being a task of the IT Unit. Taking necessary information security measures is essential for protecting Tokyo Century and its customers' information resources from cyber terror such as targeted attack emails, ransomware, and business email fraud. Tokyo Century has obtained ISO 27001 certification, the international standard for information security management systems. Under the leadership of the Information Security Committee, we regularly revise regulations and rules regarding information management, conduct regular risk assessments to address information security risks, and carry out surveys to evaluate effectiveness.

We also recognize the importance of each and every officer and employee having deep understanding of IT risks and taking necessary countermeasures in their daily operation in addition to building a strong information security system. Information security training and drills for handling targeted attack emails are regularly conducted to improve the information security awareness of officers and employees.

In addition, we have set up the CSIRT Office within our IT unit to handle countermeasures for information security incidents through various measures including security surveillance.

We endeavor to refine our information security countermeasures by periodically having our measures assessed by a third-party and actively exchanging knowledge with external partners through membership of the Nippon CSIRT Association.

Cybersecurity Measures

As part of Tokyo Century's cybersecurity measures, we have added TC-CSIRT to our corporate organization and established a security framework including compiling manuals to deal with security incidents for contingency preparedness.

To respond to increasing complexity and sophistication of cyberattacks, we hold regular drills that simulate a cyberattack to strengthen our capabilities for

responding to such incidents. Through such drills, we endeavor to validate our capabilities and also to enhance the framework by continuously identifying areas to improve and studying new measures.

We also collect information on the latest threats, such as the EMOTET cyberattack that swept across the world in 2019, to bolster our security surveillance and countermeasures as well as supportive measures for ensuring cybersecurity at Group companies.

Information Security Issues at Subsidiaries

Some Group companies are involved in consumer businesses, which raises the need to further reinforce our efforts on personal information management. Meanwhile, our global business development has led to expanding the number of Group companies located globally, and we are aware of the need to strengthen security measures in accordance with diverse cultures and regulatory systems.

In fiscal 2019, there were actual incidents such as a staff of an outside subcontractor of our Group company in Japan taking out information storage devices illegally; computer malware infection cases from cyberattacks; and receipt of emails at our overseas Group companies purporting to be from our business partners or executives of Tokyo Century.

We encourage closer collaboration with the Group companies by establishing security guidelines regarding outside subcontractors, providing information on information security, and holding regular liaison meetings. We also strive to prevent security incidents by bolstering the security systems of Group companies by increasing the involvement of our IT unit in their operations.

In addition to these efforts, we conduct regular drills for officers and employees that simulate a suspicious email attack without prior notice. Such email drills in Japanese, English, and Chinese languages were conducted in Tokyo Century and in domestic and overseas Group companies several times during fiscal 2019, and they have proved to be effective training for improving the information security awareness of officers and employees.

Tokyo Century Corporation
Management Organization
 (As of July 1, 2020)

Representative Director

Chairman

Shunichi Asada



Appointed President & CEO, Representative Director of Tokyo Leasing Co., Ltd. in April 2008. Served as President & CEO, Representative Director of Tokyo Century Corporation for 11 years since the merger in April 2009. Appointed Chairman, Representative Director in April 2020 (to present). Aggressively promoted new business models by taking advantage of a business environment free of regulatory constraints and established the four operating segments. Possesses abundant experience and a successful track record as the top manager credited with leading Tokyo Century's development as a top-tier financial services company in the industry.

Representative Director

President & CEO

Makoto Nogami



Appointed Director of Tokyo Century Corporation in April 2009. Appointed President & CEO, Representative Director of corporate auto leasing subsidiary Nippon Car Solutions Co., Ltd. in April 2015 and concurrently served as Deputy President, Director and Executive Officer of the Company. Appointed President & CEO, Representative Director in April 2020 (to present). Possesses broad experience and a track record as a leader credited with achieving business growth for Nippon Car Solutions Co., Ltd. and Nippon Rent-A-Car Service, Inc., and as President, Equipment Leasing Business Development Unit and President, Mobility Business Development Unit of the Company.

Representative Director

Deputy President, Executive Officer

Masataka Yukiya



Responsible for Equipment Leasing
 Served as Executive Officer, Chief Operating Officer, Financial and Insurance Division, Finance, Realty, Insurance & Logistics Services Company of ITOCHU Corporation. Appointed Director and Managing Executive Officer of Tokyo Century Corporation in June 2011. Appointed Deputy President, Representative Director and Executive Officer responsible for Equipment Leasing in April 2020 (to present). Possesses abundant experience and extensive knowledge based on his achievements as President of the Equipment Leasing Business Unit, and his involvement in corporate management at ITOCHU Corporation.

Directors

(External Director)

Yoshinori Shimizu*1 *2



Currently Professor Emeritus of Hitotsubashi University. Past posts include Executive Vice President of Hitotsubashi University and President of Japan Society of Monetary Economics. Appointed External Director of Tokyo Century Corporation in June 2011 (to present). Appointed Chairperson of the Nomination Committee in September 2019 (to present). Possesses highly specialized knowledge as a scholar of monetary economics. Offers management advice and provides proper oversight of operational execution towards sustainably enhancing the corporate value of Tokyo Century.

Masao Yoshida*1 *2



Served in positions including President and Representative Director of Furukawa Electric Co., Ltd. Appointed External Director of Tokyo Century Corporation in June 2017 (to present). Appointed Chairperson of the Compensation Committee in September 2019 (to present). Possesses experience and extensive knowledge based on long-term involvement in corporate management at Furukawa Electric Co., Ltd. Offers management advice and provides proper oversight of operational execution towards sustainably enhancing the corporate value of Tokyo Century.

Yukito Higaki*1 *2



Currently President of Imabari Shipbuilding Co., Ltd. Appointed External Director of Tokyo Century Corporation in June 2017 (to present). Possesses abundant experience and extensive knowledge based on his long-term involvement as the top manager of Imabari Shipbuilding Co., Ltd. Offers management advice and provides proper oversight of operational execution towards sustainably enhancing the corporate value of Tokyo Century.

Akio Nakamura*1 *2



Served in posts including Director-General of the Osaka Regional Taxation Bureau, National Tax Agency, and Director-General of the Financial Bureau, Ministry of Finance. Served for two years as External Director of Tokyo Century Corporation from June 2015. Re-appointed External Director in June 2018 (to present). Appointed President and CEO of Japan Securities Depository Center, Incorporated in April 2019 (to present). Possesses extensive knowledge in areas such as financial policy and tax affairs and experience and track record in corporate management. Offers management advice and provides proper oversight of operational execution towards sustainably enhancing the corporate value of Tokyo Century.

Toshio Asano*1 *2



Served in positions including President and Representative Director of Asahi Kasei Corporation. Appointed External Director of Tokyo Century Corporation in June 2019 (to present). Possesses abundant experience and extensive knowledge based on his long-term involvement as the top manager of Asahi Kasei Corporation. Offers management advice and provides proper oversight of operational execution towards sustainably enhancing the corporate value of Tokyo Century.

*1 External director as stipulated by Article 2-15 of the Companies Act of Japan
 *2 Designated independent officer as stipulated by the Tokyo Stock Exchange

Directors

Deputy President, Executive Officer

Akihiko Okada



Assistant to President

Served in positions including Managing Executive Officer and Chief Operating Officer of Steel, Non-Ferrous & Solar Division of ITOCHU Corporation. Appointed Deputy President, Director and Executive Officer of Tokyo Century Corporation in June 2019. Appointed Deputy President, Director and Executive Officer, Assistant to President in April 2020 (to present). Possesses abundant experience and extensive knowledge in diverse areas including corporate management and global business based on his extensive overseas experience at ITOCHU Corporation.

Keiichiro Ogushi



Executive Advisory Officer for Specialty Finance Business Development Unit and Specialty Finance Business Unit I

Served in positions including Senior Managing Executive Officer, Head of Research & Consulting Unit of Mizuho Financial Group, Inc. and Representative Director and President of JAPAN HADES Co., Ltd. Appointed Deputy President, Director and Executive Officer, Executive Advisory Officer for Specialty Finance Business Development Unit and Specialty Finance Business Unit I of Tokyo Century Corporation in July 2020. Possesses abundant experience and extensive knowledge based on his involvement in corporate management and in execution of sales, markets, and other operations at Mizuho Financial Group.

Director

Senior Managing Executive Officer

Koichi Baba



President, Corporate Planning Unit

Served in positions including Executive Officer and General Manager of Taipei Branch of Mizuho Bank, Ltd. Appointed Executive Officer of Tokyo Century Corporation in June 2014. Appointed Director and Senior Managing Executive Officer and President, Corporate Planning Unit in April 2020 (to present). Spearheads Tokyo Century's sustainable management initiatives as Chairperson of the Sustainability Committee. Possesses abundant experience and extensive knowledge based on his involvement in the domestic and overseas sales operations at Mizuho Financial Group, and experience in executing operations as President, Corporate Planning Unit of Tokyo Century.

Directors

Managing Executive Officer

Osamu Tamano



President, Business Process Management Unit

Gained diverse experience in executing operations by serving in positions including General Manager of Investor Relations Division, Corporate Planning Division, and Business Division V of Tokyo Leasing Co., Ltd. Appointed Director and Executive Officer, President, Corporate Business Unit II, and Deputy President, Business Process Management Unit of Tokyo Century Corporation in June 2015. Appointed Director and Managing Executive Officer and President, Business Process Management Unit in April 2020 (to present). Possesses abundant experience and extensive knowledge based on his involvement in Tokyo Century's corporate planning, sales, and other operations.

Seiichi Mizuno



Responsible for Audit Division

Served in positions including General Manager of Real Estate Investment Department and executed various operations at Nippon Life Insurance Company. Appointed Director and Executive Officer of Tokyo Century Corporation in June 2015. Appointed Director, Managing Executive Officer responsible for Audit Division in April 2020 (to present). Spearheads Tokyo Century's internal control initiatives as Chairperson of the Internal Control Committee. Possesses abundant experience and extensive knowledge based on his involvement in executing sales, real estate, and finance operations at Nippon Life Insurance and in Tokyo Century's auditing and risk management.

Director

Executive Officer

Ko Nakagawa



President, Credit Supervision Unit, Chief Compliance Officer (CCO), and President, Risk Management Unit and Legal Unit

Served in positions including General Manager of International Trade Business Promotion Department of Mizuho Corporate Bank, Ltd. Appointed General Manager of Business Division II of Tokyo Century Corporation in May 2010. Appointed Director and Executive Officer, President, Credit Supervision Unit, Chief Compliance Officer (CCO), and President, Risk Management Unit and Legal Unit in June 2018 (to present). Concurrently appointed Director of aircraft leasing subsidiary Aviation Capital Group LLC in December 2019. Possesses abundant experience and extensive knowledge from serving concurrently as Chairperson of the Comprehensive Risk Management Committee and the Credit Risk Management Committee.

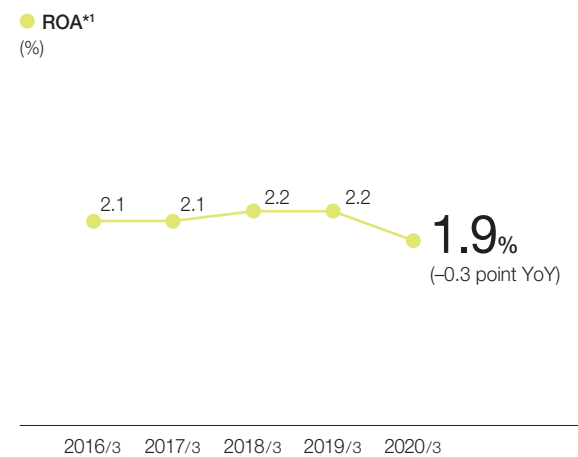
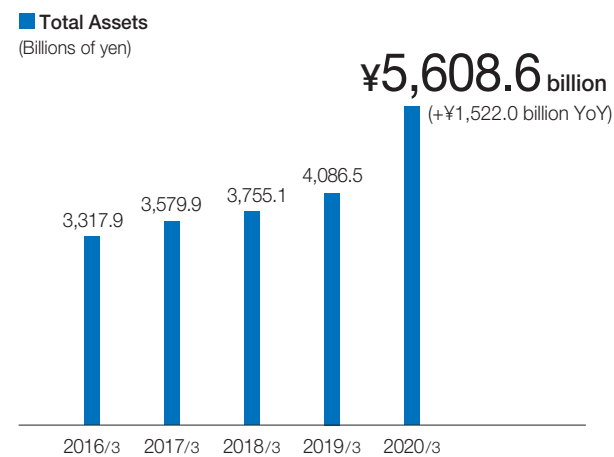
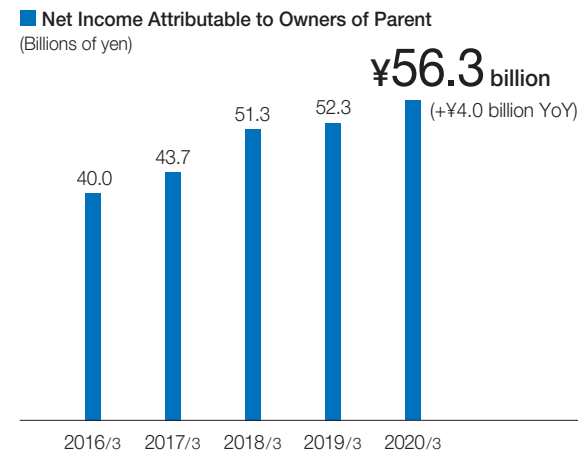
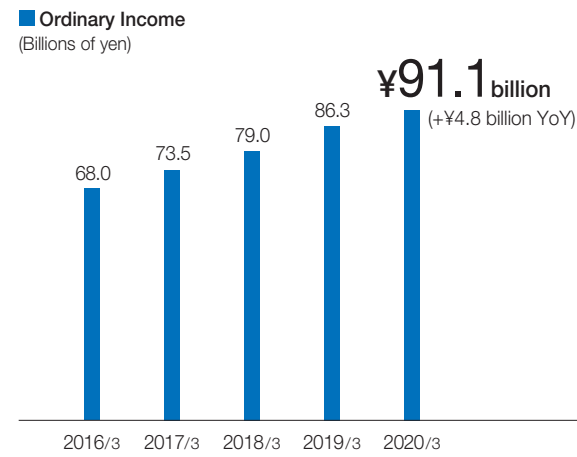
Director

Toshihito Tamba

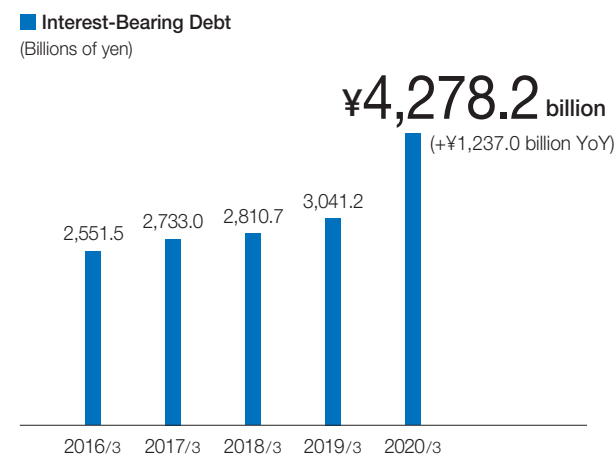
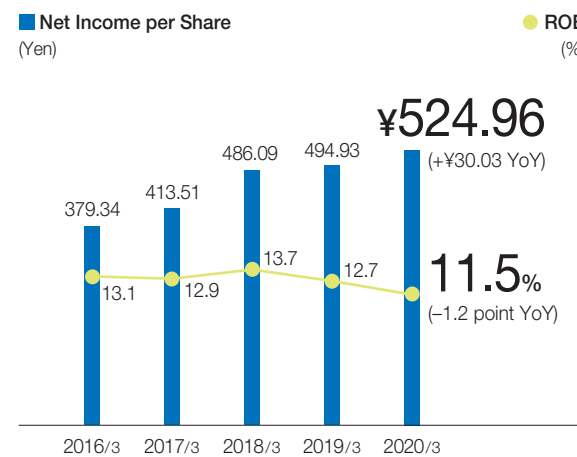


Served in positions including Representative Director and Executive Vice President, Chief Operating Officer of Overseas Operations of ITOCHU Corporation. Appointed Chairman & Co-CEO, Representative Director of Tokyo Century Corporation in June 2011. Appointed Director in April 2020 (to present). Appointed Outside Director of Fuji Electric Co., Ltd. in June 2016 (to present). Possesses abundant experience and extensive knowledge based on his involvement in corporate management and execution of overseas and other operations at ITOCHU Corporation and from leading Tokyo Century for nine years as Chairman, Representative Director.

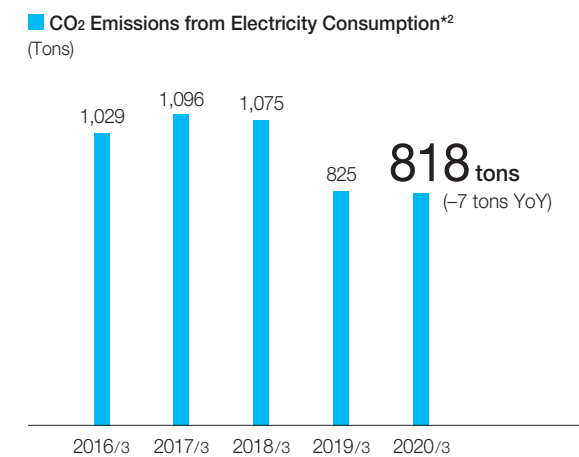
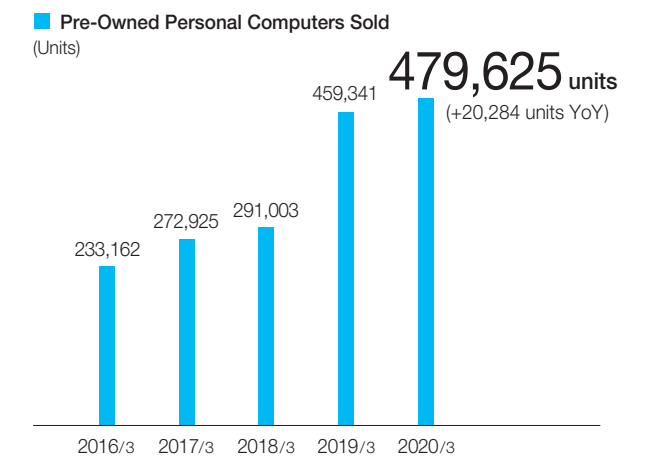
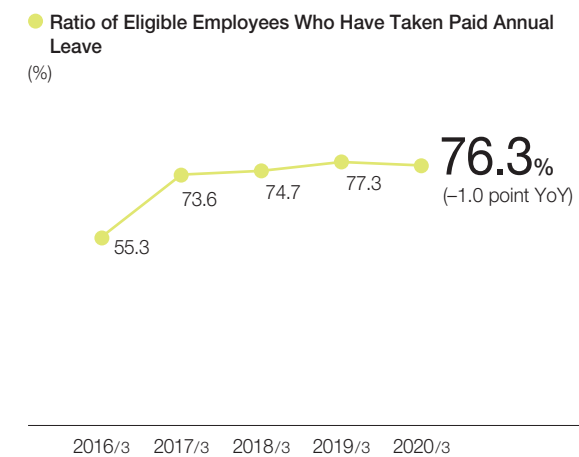
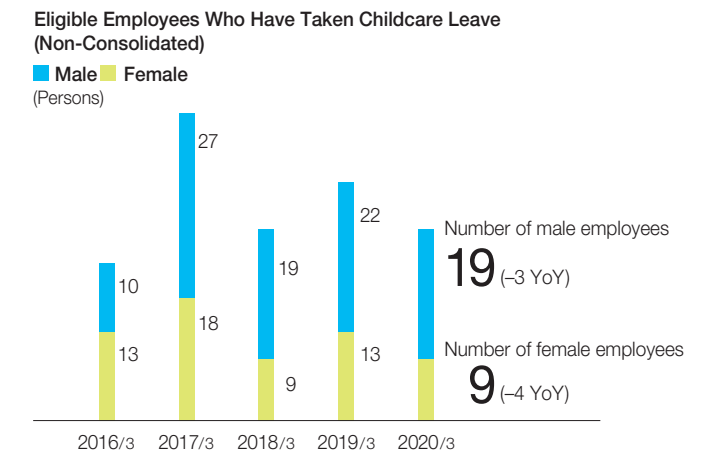
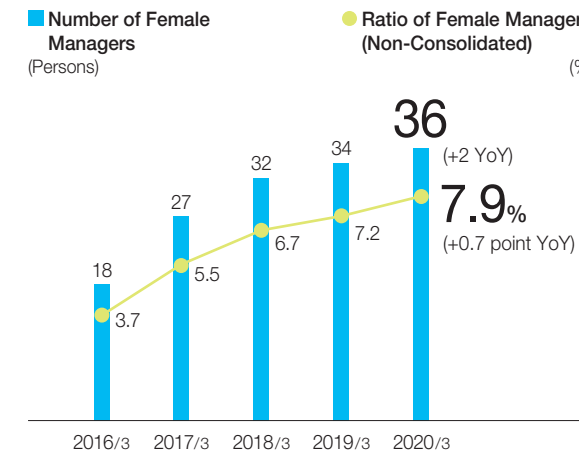
Financial Information



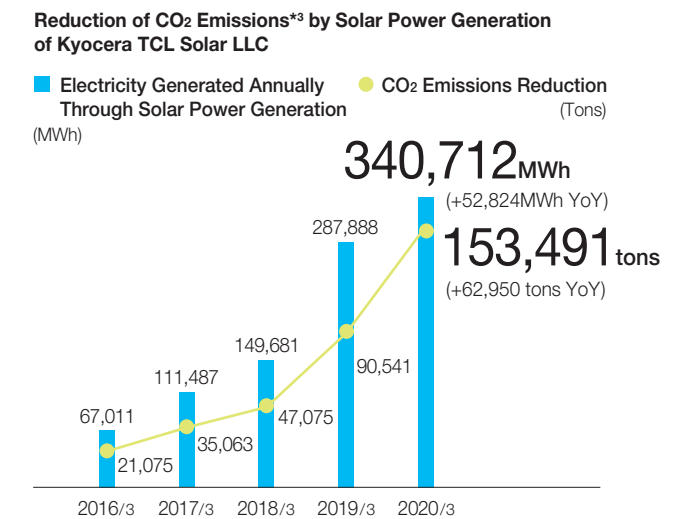
*1 Ratio of ordinary income to total assets



Non-Financial Information



*2 As for the emission factors for electricity consumption, adopted the alternative values of an emission coefficient by electricity utility used for GHG Accounting, Reporting and Publication System under Law Concerning the Promotion of the Measures to Cope with Global Warming.



*3 As for the emission factors for CO₂ reduction amount, adopted the standard values defined in the display guidelines by Japan Photovoltaic Energy Association.

Tokyo Century Corporation
Financial Summary

		2011/3	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3
Operating Results (Billions of yen)	Revenues	713.2	716.3	691.1	828.6	883.0	940.5	976.1	1,012.2	1,067.6	1,166.6
	Costs	641.6	643.7	620.2	731.2	759.3	803.6	823.3	849.0	885.9	958.7
	Gross profit	71.6	72.7	70.9	97.3	123.7	136.8	152.8	163.2	181.7	207.9
	Sales revenues (gross profit before deducting funding cost)	86.1	84.2	80.7	106.5	134.1	150.2	170.3	184.8	208.0	239.0
	SG&A expenses	30.6	30.8	28.9	45.9	65.2	70.9	80.8	89.5	104.0	119.6
	Personnel and non-personnel expenses	29.4	30.8	29.8	46.0	66.3	69.7	79.6	89.8	103.8	115.5
	Credit costs	1.1	0.0	(0.9)	(0.1)	(1.1)	1.2	1.2	(0.3)	0.3	4.1
	Operating income	41.0	41.9	42.0	51.4	58.4	65.9	72.0	73.7	77.7	88.3
	Ordinary income	44.2	46.3	46.3	55.2	60.7	68.0	73.5	79.0	86.3	91.1
	Extraordinary income and losses	(3.5)	(2.2)	(0.1)	(0.1)	(1.0)	0.5	0.2	0.4	0.1	3.8
Net income attributable to owners of parent	23.6	26.2	28.9	33.1	34.1	40.0	43.7	51.3	52.3	56.3	
Financial Condition (Billions of yen)	Total assets	2,184.6	2,260.4	2,465.8	2,884.8	3,151.9	3,317.9	3,579.9	3,755.1	4,086.5	5,608.6
	Segment assets*2	2,038.1	2,110.9	2,253.3	2,605.0	2,895.6	3,000.2	3,243.8	3,338.7	3,630.9	4,773.0
	Equipment Leasing	1,515.9	1,492.2	1,496.3	1,532.9	1,535.4	1,465.1	1,425.3	1,369.8	1,372.8	1,471.1
	Mobility & Fleet Management	97.7	115.5	130.5	358.1	380.5	414.1	462.3	521.4	592.7	631.2
	Specialty Financing	332.8	397.7	491.8	542.1	711.9	846.4	897.6	978.9	1,142.4	2,147.9
	International Business	91.7	105.5	134.6	172.0	267.9	272.4	457.4	462.6	512.9	510.6
	Interest-bearing debt	1,741.9	1,783.2	1,939.2	2,211.7	2,419.9	2,551.5	2,733.0	2,810.7	3,041.2	4,278.2
	Net assets	178.8	201.3	233.7	285.5	336.5	374.9	404.8	456.0	524.4	660.1
Cash Flows (Billions of yen)	Cash flows from operating activities	48.6	(26.4)	(89.7)	(28.3)	(171.0)	(136.6)	(0.7)	26.4	(59.2)	(50.7)
	Cash flows from investing activities	23.2	(0.5)	(5.6)	10.0	(18.7)	(3.1)	(30.1)	(107.9)	(123.9)	(315.2)
	Cash flows from financing activities	(89.8)	38.3	135.9	54.5	156.9	155.8	27.5	81.6	189.0	523.1
	Cash and cash equivalents at end of year	32.8	44.5	83.1	115.8	71.9	91.8	85.7	86.4	89.7	250.1
Per Share Data (Yen)	Net income	221.80	245.82	272.32	311.64	322.84	379.34	413.51	486.09	494.93	524.96
	Net assets	1,594.57	1,796.62	2,092.46	2,386.02	2,776.37	3,033.61	3,360.27	3,750.35	4,039.68	4,543.43
	Dividends	40.00	44.00	48.00	52.00	65.00	80.00	100.00	114.00	124.00	136.00
Significant Indicators (%)	Return on equity (ROE)*3	14.8	14.5	14.0	13.9	12.5	13.1	12.9	13.7	12.7	11.5
	Return on assets (ROA)*4	2.0	2.1	2.0	2.1	2.0	2.1	2.1	2.2	2.2	1.9
	Shareholders' equity ratio	7.8	8.4	9.0	8.8	9.3	9.6	9.9	10.5	10.4	9.9
	Overhead ratio (OHR)*5	41.1	42.3	42.1	47.2	53.6	50.9	52.1	55.0	57.1	55.5
Other Data (Persons)	Employees (Consolidated)	1,715	1,722	1,676	3,309	4,113	4,124	5,430	6,035	7,016	7,365

Notes: *1 Data are rounded to the nearest unit.

*2 Segment assets include the investment in equity-method affiliates, goodwill, etc., belonging to each segment.

*3 ROE = Net income attributable to owners of parent / Equity (simple average of beginning and end of term balance sheet figures) × 100

*4 ROA = Ordinary income / Total assets (simple average of beginning and end of term balance sheet figures) × 100

*5 OHR = (Personnel expenses + Non-personnel expenses) / Gross profit × 100

Main Subsidiaries, Affiliates and Other

Japan		Company	Location	Main Business	Voting Rights*
Consolidated Subsidiaries		Nippon Car Solutions Co., Ltd.	Japan	Auto leasing	60%
		Nippon Rent-A-Car Service, Inc.	Japan	Car rental	89%
		Orico Auto Leasing Co., Ltd.	Japan	Auto leasing for individuals	50%
		Fujitsu Leasing Co., Ltd.	Japan	IT equipment leasing	80%
		IHI Finance Support Corporation	Japan	General leasing and finance	67%
		Orico Business Leasing Co., Ltd.	Japan	General leasing	50%
		ITEC Leasing Co., Ltd.	Japan	General leasing	85%
		S.D.L. Co., Ltd.	Japan	General leasing	100%
		TRY Corporation	Japan	Refurbishment of IT equipment	80%
		TC Tsukishima Energy Solution LLC	Japan	Sales of electricity generated using biogas	90%
		Amada Lease Co., Ltd.	Japan	General leasing	60%
		Shinko Real Estate Co., Ltd.	Japan	Real estate business	70%
		TC Property Solutions Corporation	Japan	Property management	100%
		Kyocera TCL Solar LLC	Japan	Sales of electricity generated using solar power	81%
		TCLA Godo Kaisha	Japan	General leasing and installment sales	100%
		Shunan Power Corporation	Japan	Sales of electricity	60%
		TC Agency Corporation	Japan	Casualty insurance	100%
		TC Business Service Corporation	Japan	Business processing services	100%
		TC Business Experts Corporation	Japan	Business inspection services	100%
	Equity-Method Affiliates		NTT TC Leasing Co., Ltd.	Japan	General leasing and finance
		ITOCHU TC Construction Machinery Co., Ltd.	Japan	Sales and rental services for construction and other equipment	50%
		Bplats, Inc.	Japan	Subscription-based business	33%
		Nanatsujima Biomass Power LLC	Japan	Sales of electricity generated using biomass power	25%
	Nittochi Asset Management Co., Ltd.	Japan	Management and formation of real estate investment funds	30%	
Europe		Company	Location	Main Business	Voting Shares*
Consolidated Subsidiaries		TC Skyward Aviation Ireland Ltd.	Ireland	Aviation leasing and finance	100%
		TC Aviation Capital Ireland Ltd.	Ireland	Aviation leasing and finance	100%
		Tokyo Leasing (UK) Plc	U.K.	General leasing	100%

Asia		Company	Location	Main Business	Voting Rights*	
Consolidated Subsidiaries		Tokyo Century Leasing China Corporation	China	General leasing	80%	
		Tokyo Century Factoring China Corporation	China	Factoring services	100%	
		Tokyo Leasing (Hong Kong) Ltd.	Hong Kong	General leasing	100%	
		Tokyo Century Leasing (Singapore) Pte. Ltd.	Singapore	General leasing	100%	
		Tokyo Century Asia Pte. Ltd.	Singapore	Investment/shareholding and ancillary business	100%	
		Tokyo Century Capital (Malaysia) Sdn. Bhd.	Malaysia	General leasing	100%	
		TISCO Tokyo Leasing Co., Ltd.	Thailand	General leasing	49%	
		HTC Leasing Co., Ltd.	Thailand	Construction machinery finance	70%	
		TC Advanced Solutions Co., Ltd.	Thailand	Reverse factoring and other services	59%	
		TC Car Solutions (Thailand) Co., Ltd.	Thailand	Auto financing and services	99%	
		PT. Century Tokyo Leasing Indonesia	Indonesia	General leasing	85%	
		PT. TCT Indonesia	Indonesia	General trading	100%	
	Equity-Method Affiliates		Dalian Bingshan Group Hua Hui Da Financial Leasing Co., Ltd.	China	General leasing and finance	40%
			Suzhou New District Furui Leasing Co., Ltd.	China	General leasing and finance	20%
			President Tokyo Corporation	Taiwan	Automobile leasing and general leasing	49%
			PT. Hexa Finance Indonesia	Indonesia	Construction machinery finance	20%
		BPI Century Tokyo Lease & Finance Corporation	Philippines	General leasing	49%	
		Yoma Fleet Ltd.	Myanmar	Auto leasing and car sharing	20%	
Other		TATA Capital Financial Services Limited	India	General leasing and finance	—	
U.S.A.		Company	Location	Main Business	Voting Rights*	
Consolidated Subsidiaries		TC Skyward Aviation U.S., Inc.	U.S.A.	Aviation leasing and finance	100%	
		TC Realty Investments Inc.	U.S.A.	Real estate investment	100%	
		CSI Leasing, Inc.	U.S.A.	IT equipment leasing	100%	
		Tokyo Century (USA) Inc.	U.S.A.	General leasing	100%	
		Aviation Capital Group LLC	U.S.A.	Aviation leasing and finance	100%	
		AP Equipment Financing Inc.	U.S.A.	General leasing and finance	100%	
Equity-Method Affiliates		GA Telesis, LLC	U.S.A.	Provider of products, services and solutions to the commercial aerospace industry	49%	
		Gateway Engine Leasing, LLC	U.S.A.	Aircraft engine leasing	20%	

* Voting right percentages are rounded to the nearest whole number.

Tokyo Century Corporation
Corporate Information
 (As of July 1, 2020)

Company Name	Tokyo Century Corporation
Head Office	FUJISOFT Bldg., 3 Kanda-neribeicho, Chiyoda-ku, Tokyo 101-0022, Japan
Founded	July 1, 1969
Paid-in Capital	¥81,129 million
Company Representatives	Chairman Shunichi Asada President & CEO Makoto Nogami Deputy President Masataka Yukiya
Number of Employees	7,365 (927 on a non-consolidated basis) (as of March 31, 2020)
Closing of Accounts	March 31
Main Banks	Mizuho Bank, Ltd.; MUFG Bank, Ltd.; The Norinchukin Bank; Sumitomo Mitsui Trust Bank, Limited; Japan Bank for International Cooperation
Independent Auditor	Deloitte Touche Tohmatsu LLC
Network	Domestic Head office, Sapporo, Sendai, Saitama, Yokohama, Shizuoka, Nagoya, Kanazawa, Kyoto, Osaka, Kobe, Okayama, Hiroshima, Fukuoka Overseas We operate in more than 30 countries and regions in Asia, North America, Central and South America, Europe, and elsewhere.

Management

(As of July 1, 2020)

Board of Directors

Chairman, Representative Director	Director (External Director) *1 *3	Deputy President, Director and Executive Officer	Director and Managing Executive Officer	Director and Executive Officer
Shunichi Asada	Yoshinori Shimizu	Akihiko Okada	Osamu Tamano	Ko Nakagawa
President & CEO, Representative Director	Masao Yoshida	Keiichiro Ogushi	Seiichi Mizuno	Director
Makoto Nogami	Yukito Higaki	Director and Senior Managing Executive Officer		Toshihito Tamba
Deputy President, Representative Director and Executive Officer	Akio Nakamura	Koichi Baba		
Masataka Yukiya	Toshio Asano			

Corporate Auditors

Standing Corporate Auditor (External Corporate Auditor) *2	Standing Corporate Auditor	Corporate Auditor (External Corporate Auditor) *2 *3
Futoshi Okada	Yuichiro Ikeda Katsuya Amamoto	Masao Fujieda

*1 External director as stipulated by Article 2-15 of the Companies Act of Japan

*2 External corporate auditor as stipulated by Article 2-16 of the Companies Act of Japan

*3 Designated independent officer as stipulated by the Tokyo Stock Exchange

Executive Officers

Deputy President, Executive Officer	Managing Executive Officer	Executive Officer		
Koichi Nakajima	Takashi Kamite	Takashi Yonetsu	Hiroaki Ogino	Masahiro Oohata
Senior Managing Executive Officer	Yoshio Nomura	Masato Osugi	Kimio Kozuka	Toshiyuki Otobe
Yasushi Yoshino	Akihiro Naruse	Tatsuya Hirasaki	Junji Tsutsui	Shintaro Yamazaki
Yoichiro Nakai	Toshio Kitamura		Yoshihiro Ueda	Yoichi Matsumoto
Mahoko Hara	Koichiro Sato		Toshihiko Tamura	Yukihiko Tanaka
			Minoru Kuwahara	Makoto Honda

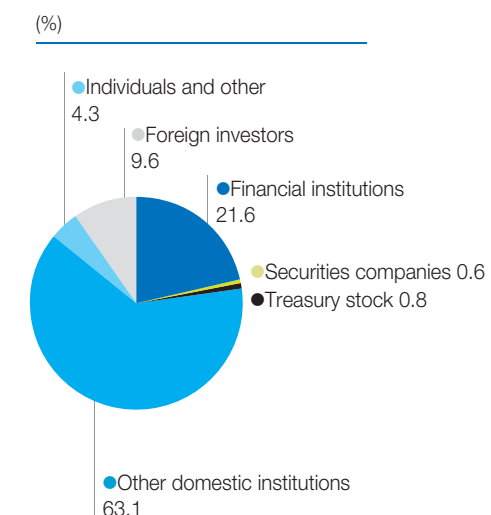
Tokyo Century Corporation
Stock Information
 (As of March 31, 2020)

Transfer Agent	Mizuho Trust & Banking Co., Ltd.	Number of Shares of Common Stock Authorized	400,000,000 shares
Stock Listing	Tokyo Stock Exchange, First Section	Number of Shares of Common Stock Issued	123,028,320 shares
Securities Code	8439	Number of Shareholders	12,141
Trading Lot Size	100 shares		

Major Shareholders

Shareholders	Number of Shares Held (Thousands)	Shareholding Ratio* (%)
ITOCHU Corporation	31,509	25.82
Nippon Tochi-Tatemono Co., Ltd.	15,712	12.87
Nippon Telegraph and Telephone Corporation	12,302	10.08
KSO Co., Ltd.	10,306	8.44
Japan Trustee Services Bank, Ltd. (Trust accounts)	6,003	4.92
Mizuho Bank, Ltd.	4,688	3.84
The Master Trust Bank of Japan, Ltd. (Trust accounts)	2,716	2.23
Seiwa Sogo Tatemono Co., Ltd.	2,286	1.87
Nippon Life Insurance Company	2,228	1.83
Mizuho Trust & Banking Co., Ltd. (Retirement Allowance Trust, Orient Corporation Account Trust & Custody Services Bank, Ltd. re-entrusted)	1,900	1.56

Breakdown of Shareholders



* The shareholding ratio is calculated by excluding the treasury stock (984,151 shares).

Bond Ratings

(As of July 1, 2020)

Issuer Tokyo Century Corporation (Securities Code: 8439)				
	Credit Rating Agency	Japan Credit Rating Agency, Ltd. (JCR)	Rating and Investment Information, Inc. (R&I)	S&P Global Ratings Japan, Inc. (S&P)
Long-term	Issuer Rating	Rating: AA- Outlook: Stable	A Stable	BBB Negative
	Preliminary Rating for Bonds Registered for Issuance*	Rating: AA- Expected Issue Amount: ¥400 billion Issue Period: Two years beginning February 25, 2020	A ¥400 billion Two years beginning February 25, 2020	
	Euro Medium-Term Note Program	Rating: AA- Maximum Outstanding Amount: Equivalent of US\$2 billion	A Equivalent of US\$2 billion	
Short-term	Commercial Paper	Rating: J-1+ Maximum Outstanding Amount: ¥800 billion	a-1 ¥800 billion	

* Each bond will be rated by each rating agency upon issuance.
 (Reference) <https://www.tokyoecentury.co.jp/en/ir/br.html>

Editorial Policy

The integrated report provides a brief explanation to shareholders, investors and other stakeholders of financial information, including management direction, strategies and a review of operations as well as non-financial information on its initiatives with respect to the Environmental, Social and Governance (ESG), incorporating comments from responsible officers or persons of respective information.

Guidance for Collaborative Value Creation

The integrated report refers to "Guidance for Collaborative Value Creation," which is a common language among investors. As a company with financial capabilities, Tokyo Century focuses on creating businesses that are useful to society by cooperating with its partners. Our aim is to help our stakeholders understand our efforts to "contribute to the creation of an environmentally sound, sustainable economy and society," which is part of our Management Philosophy.



Tokyo Century Corporation

FUJISOFT Bldg., 3 Kanda-neribeicho, Chiyoda-ku,
Tokyo 101-0022, Japan

<https://www.tokyocentury.co.jp/en/>